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JULY 22, 1987

# RESTAURANTS & INSTITUTIONS

A CAHNERS PUBLICATION SERVING THE TOTAL FOODSERVICE INDUSTRY

50 Years
R&I
1937-1987

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## Part II: Menu Concepts

JULY 22, 1987

# CONTENTS

Vol. 97 No. 16

BRIEFINGS

A summary for busy readers 4

COMMENTS

Foodservice growth forecasts readjusted up 11

VIEWPOINT

L'Cuisine Junque and other conceits 14

R&I FORUM

Readers speak out 18

THE '400' PART II: MENU CONCEPTS

Overview: Menus and Markets 22
Guide to "400" Part II 23

MENU CONCEPTS

Burgers 32
Sandwiches 46
Chicken 54
Mexican 74
Sweets 78
Seafood 88
Pizza 106
Steak & Barbecue 116
Theme Dinner Houses 130

MARKETS

Family Dining 154
Cafeterias 168
Convenience 174
Recreation 180
Education 186
Military 194
Health Care 200
Contractors 208
Lodging 214
Liquid Assets 220

'400' RANKING 226

ALPHABETICAL INDEX 239

EQUIPMENT

Ice Machines: Ensuring ice supply 242
Storage Boxes: Put the lid on food storage 244
Bus Bins: Training helps loading and lifting 244

FOOD

Meat Entrees: Promoting fresh pork 246
Bakers' Guide: Easy chocolate cake 254

MARKETPLACE

Menu Merchandising: Bargain beans 256
Products: Bean products 260
Buyers Mart: New products 262
For the Asking 172

CLASSIFIED ADS

Buying, selling, changing jobs 304

ACTION EXPRESS

For more product information 320

ADVERTISING INDEX

Where to find ads in this issue 320

READER SERVICE CARD

For more information 321

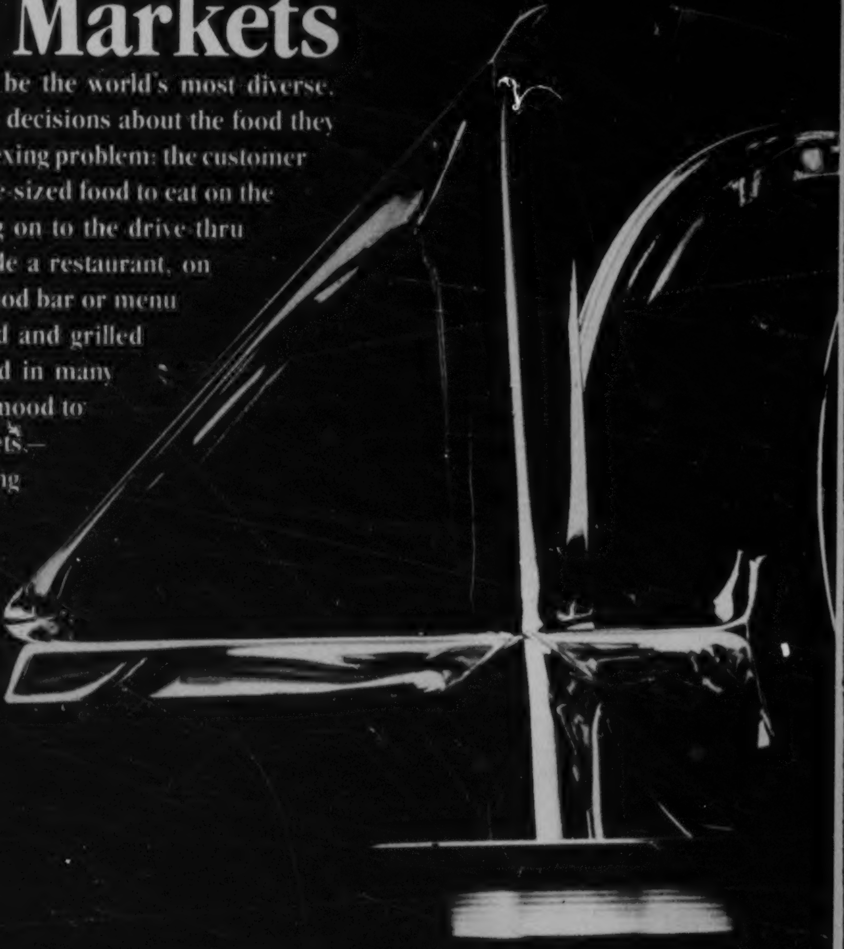
*Real Dairy Discoveries*, a service of American Dairy Association, follows page 136.

# 400: OVERVIEW

OVERVIEW

# *R&I* '400,' Part II: Menus and Markets

Although American menus continue to be the world's most diverse, restaurant companies are making tough decisions about the food they serve. In doing so, they cope with a perplexing problem: the customer who seems to want it all. Looking for bite-sized food to eat on the run, restaurant customers are catching on to the drive-thru and carryout crazes. When they go inside a restaurant, on the other hand, they may well expect a food bar or menu bursting with choices. Similarly, broiled and grilled foods strike a nutrition-conscious chord in many customers – except when they're in the mood to slip back to fried. Our survey of markets – from fast-food concepts to employee dining – shows the blurring of lines between operational categories that used to be distinct. Military foodservice and schools borrow concepts from fast-food chains: *(continued)*



# RESTAURANTS & INSTITUTIONS

## GUIDE TO *R&I* '400,' PART II

### MENU CONCEPTS

**Burgers. . . . . . . . . . . . . . . .32**
**Sandwiches . . . . . . . . . . . . .46**
**Chicken . . . . . . . . . . . . . . .54**
**Mexican . . . . . . . . . . . . . . .74**
**Sweets . . . . . . . . . . . . . . . .78**
**Seafood . . . . . . . . . . . . . . .88**
**Pizza . . . . . . . . . . . . . . . .106**
**Steak & Barbecue. . . . . . . .116**
**Theme Dinner Houses . . . .130**

### MARKETS

**Family Dining . . . . . . . . . .154**
**Cafeterias . . . . . . . . . . . . .168**
**Convenience. . . . . . . . . . . .174**
**Recreation. . . . . . . . . . . . .180**
**Education . . . . . . . . . . . . .186**
**Military. . . . . . . . . . . . . . .194**
**Health Care . . . . . . . . . . . .200**
**Contractors . . . . . . . . . . . .208**
**Lodging. . . . . . . . . . . . . . .214**
**Liquid Assets. . . . . . . . . . .220**
**"400" Ranking . . . . . . . . .226**
**Index . . . . . . . . . . . . . . . .239**

# 400: OVERVIEW

## Marketing Menus Is Part of the Restaurant Business

### Food bars, carryout and delivery put food in the hands of restaurant customers.

**Broiled and grilled chicken is coming on strong, but many people still love it fried (top). The American public eats 14.7 pounds of seafood per year (above).**

a hotel manager sees a way to adapt an item on a theme dinner house menu; the dinner house chains, in turn, get some of their ideas from independents.

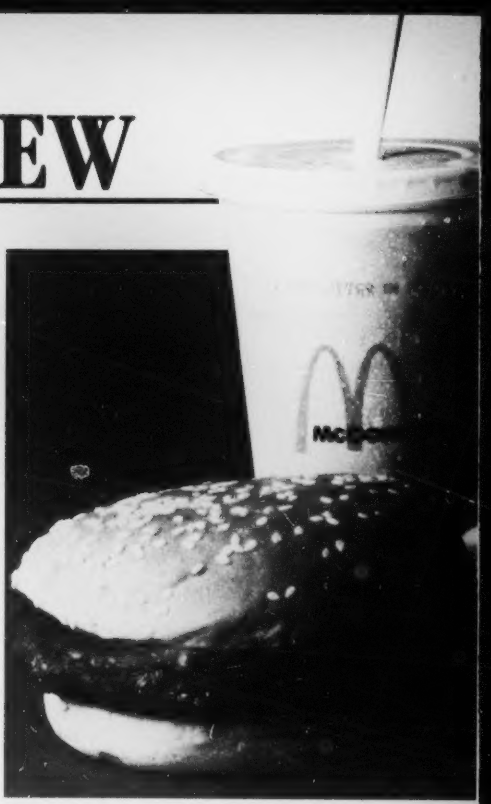
The hamburger segment, led by the No. 1 foodservice company, McDonald's, illustrates some of these trends. Today, the burger chains are making certain that new menu offerings fit through a car window. Joining bite-sized chicken pieces are miniature hamburgers; Burger King calls its version Burger Bundles. Also right for the drive-thru trade are McDonald's packaged salads, the climax of 10 years of testing.

That doesn't mean the full-sized burger has vanished. Wendy's fans are being treated to the Big Classic, a deluxe version of the chain's mainstay. Even gourmet burgers are still in the picture—notably, Fuddruckers' "dress it yourself" burgers.

Customers can pluck chicken off a burger chain menu or head for a specialist, such as Kentucky Fried Chicken. There they'll discover, as in the case of burger bundles, that small is beautiful—to the delight of customers, KFC's new Chicken Little sandwiches sit squarely on tiny buns.

By broiling, baking and grilling chicken, Church's Fried Chicken and Mrs. Winner's are trying for some of the good-nutrition points won by competitors such as El Pollo Loco, which serves marinated and grilled, Mexican-style chicken. Even companies sticking with fried are beginning to publicize the kind of oil they use. Finally, the proliferation of side dishes (examples: Spanish rice, mashed potatoes with gravy) has added to the fun of the chicken companies' nutrition race.

Seafood is undergoing a similar identity crisis, as grilled and broiled menu alternatives catch on. Another healthful dish is seafood simmered in heavy ceramic pots, an offering of Big Splash, the Benihana spinoff. To lighten up fried seafood, which many customers still prefer, Long John Silver's and Skipper's Seafood 'n Chowder House are using a light breading in place of a heavier, tempura-style batter.



**Still on top, McDonald's continues to sell billions of burgers each year.**

A fish is a fish is a fish, believe seafood customers, who are showing a surprising willingness to try unfamiliar species such as *opaka paka*. Increased availability of farm-raised fish also is expanding the choices, and one ambitious company, Legal Seafoods, has even launched the first mail-order seafood business that delivers the product fresh.

There's nothing fishy about Taco Bell's new seafood salad, served in a fluted tortilla shell. For hearty appetites, the Double Beef Burrito Supreme is the right pick. Bucking the trend for somewhat bland, anyone-can-eat-it Mexican fare is Taco John Intl., which sells a more highly spiced product.

Crusty, freshly baked bread helps keep the enthusiasm going for an American tradition, the sandwich. Flexing their marketing muscles, sandwich shops also are installing bars heaped high with sandwich toppings, pasta and salad ingredients.

The steakhouse chains also have demonstrated the potential of the food bar, pushing it beyond salad ingredi-

ents to include hot casseroles, vegetables, ice cream and more. Finding that they can't compete with the 75-item bar that is becoming standard, a few companies have pulled back. Mr. Steak's family-style salad, like McDonald's prepackaged salads, puts limits on what customers can eat.

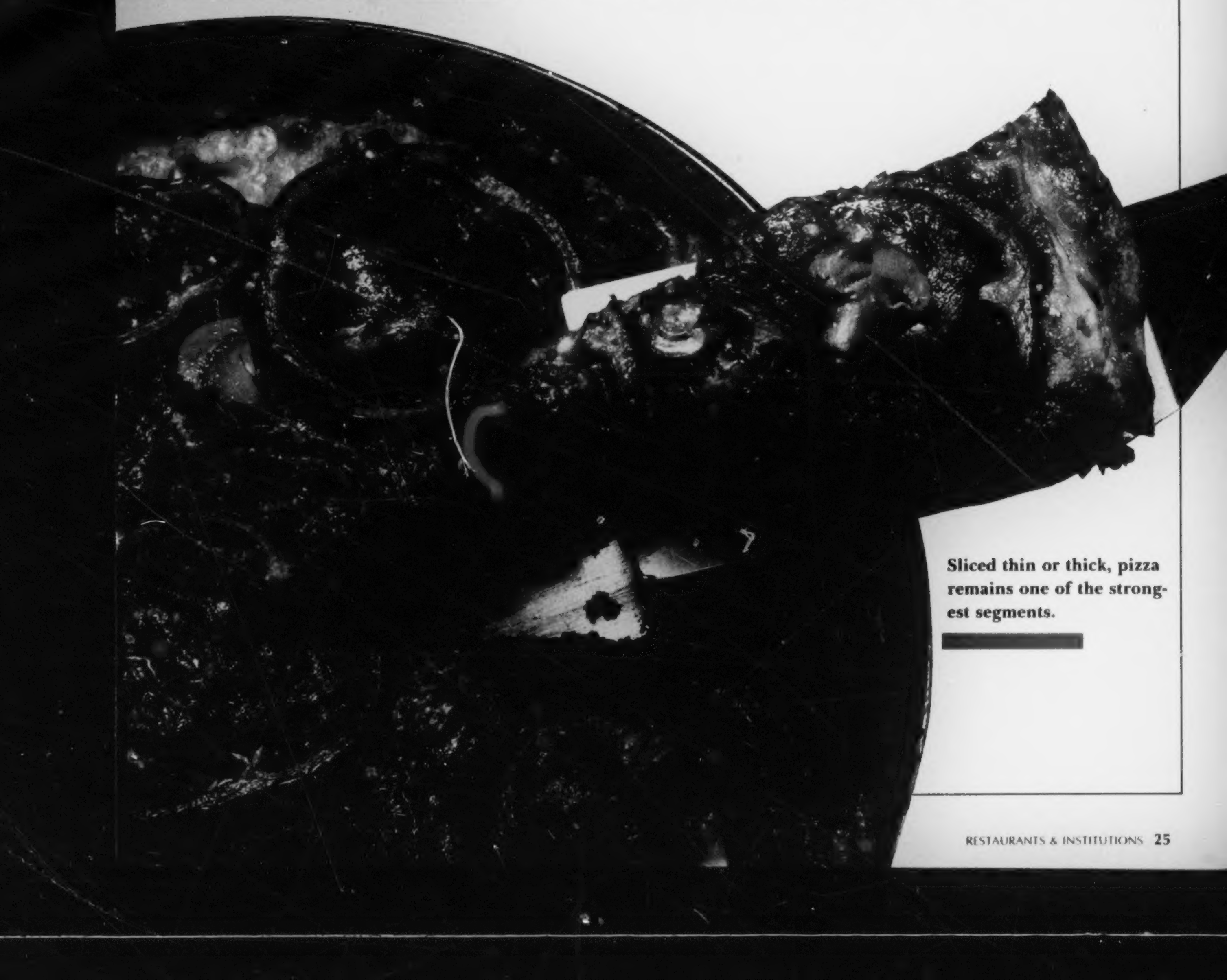
Although they've added chicken and seafood to menus, steakhouses also are beginning to promote their own basic resource—beef, naturally!—as red meat rebounds from the dip in popularity of recent years.

As for barbecue, takeout is hot and carryout is warming up. Bobby Rubino's even sells Grill-Ready Ribs, seasoned, frozen and ready for grilling at home.

Pizza operations are thinking along the same lines, looking closely at Domino's 30-minute delivery guarantee and Pizza Hut's 5-minute Personal Pan Pizza. At Little Caesars, pizza stations offer a no-wait lunch.

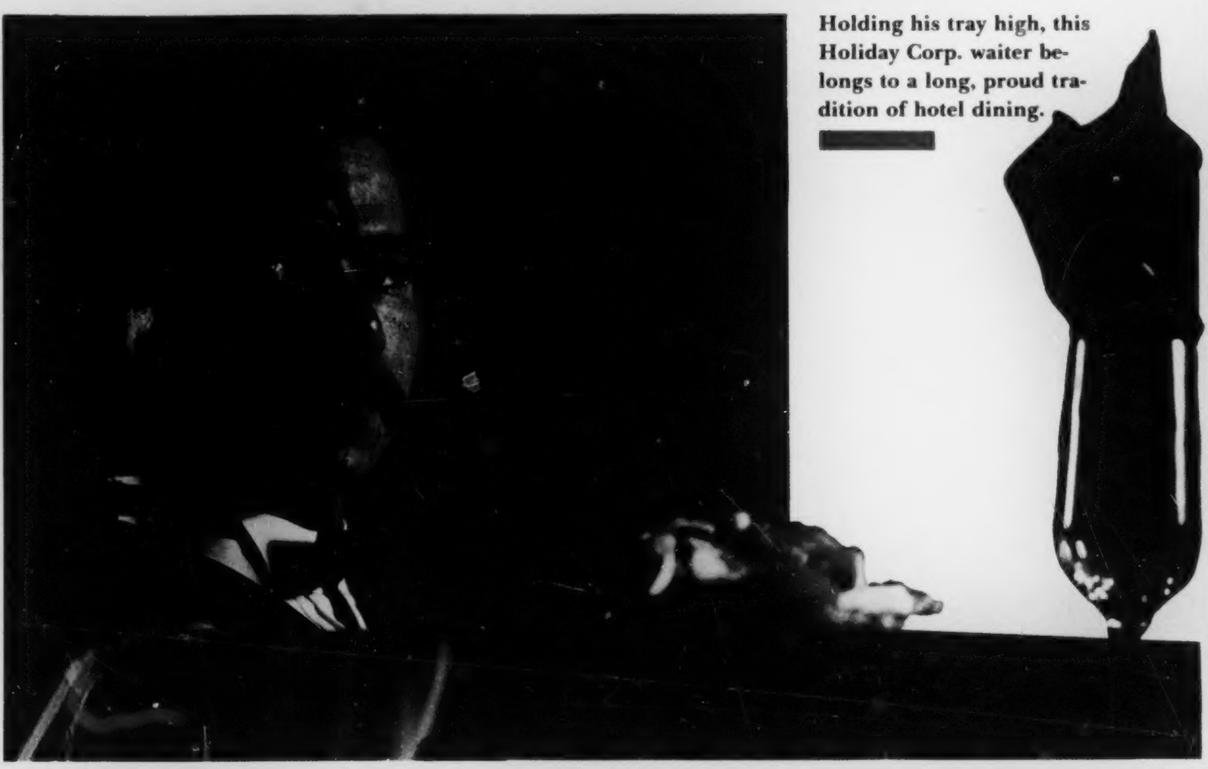
One of the most rapidly growing segments, pizza is taking shape in several new ways—the individual turnover known as a calzone and the double-crust pizza pie are becoming more popular. Winner of the prize for most adventurous concoctions is Shakey's, which is selling seafood pizza and testing cheeseburger and barbecue chicken variations.

Sweeter than ever are the profits earned by International Dairy Queen's Blizzard, now being marketed also as a pie. Tastee Freez and others have come out with their own versions. To strengthen what has been an extremely limited menu niche, some companies are capitalizing on their name recognition by marketing sweets in supermarkets, as well as branching out into sandwiches and salads.



**Sliced thin or thick, pizza remains one of the strongest segments.**

# 400: OVERVIEW



**Holding his tray high, this Holiday Corp. waiter belongs to a long, proud tradition of hotel dining.**

## As institutions learn how to sell a hot concept, they're looking more commercial.

Theme dinner house chains have mastered many of the tricks that once made independent operators unique: creating and promoting signature menu items, selling varietal wines by the glass and putting customers ahead of systems, to name a few. Nor does size necessarily slow down the action—Bennigan's, for example, can produce a new menu item in just four months, from conception to rollout.

Creative imitation is also a strength of dining operations in the hotel and motel segment, which looks both to independent and chain restaurants for ideas on how to serve great food in casual surroundings. Marriott's new American Favorites menu shows the virtues of combining provocative food ideas with attractive pricing.

Cafeterias continue to serve a predominantly older clientele, but their homemade, moderately priced food could—with the right marketing job—have growing appeal to other groups, especially young families. Already, some chains are sprucing up a somewhat stodgy image by borrowing menu items, such as chicken teriyaki, from theme dinner houses.

Cafeterias may be in a steady state, and many department stores are getting out of foodservice, but the country's convenience stores are clearly on a roll. C-stores are even moving onto university campuses, selling microwavable sandwiches, drinks and yogurt, and taking business away from dorm cafeterias.

The wall between commercial and institutional menus is crumbling, as foodservice contractors adopt concepts that compete directly with commercial operations for glamour, flavor and a good nutritional profile. ARA's Treat Yourself Right and Restaura's Countdown to Wellness menus are just two examples of menu marketing savvy on the institutional side. Signature items are another growth area. Canteen's Bigger Better Biscuits are selling so well that a similar experiment with pizza is planned.

A more aggressive approach to marketing is also evident in The Army & Air Force Exchange Service's switch from deals with commercial franchises to developing its own brand-name marketing concepts for pizza, submarine sandwiches and hot dogs.

Gourmet meals can be an excellent marketing tool for hospitals, especially in areas with an affluent population and strong competition among healthcare facilities. On the other hand, the Hospital Corp. of America has abandoned its restaurant-style menus and, with cost containment in mind, is returning to cycle menus.

A final, moving note: To the joy of railroad nostalgia buffs, Amtrak is experimenting with a revival of old-fashioned opulence in its dining cars—travelers may soon be eating brook trout while traveling through Colorado, Chicken Hacienda on a California trip, and homey crockpot meals on shorter runs.

***—Toni Lydecker and Lisa Bertagnoli***

# 400: BURGERS

## Burger Companies Cautious about New Menu Offerings

### After playing roulette with rollouts, fast-food companies are taking time with product introductions.

In the early 1980s, hamburger chains ran wild with menus. Aside from McDonald's, famous for decade-long product tests, the top burger purveyors tested, rolled out then pulled back a variety of menu items.

The big companies now are repackaging certain menu items in an effort to save labor and attract new and different customers. Prepared and packaged salads, for instance, are replacing salad bars because the bars proved labor-intensive and useless to drive-thru customers, who are providing more and more fast-food sales. Bite-sized chicken pieces and smaller hamburgers packaged in a variety of quantities accommodate patrons who like to snack between meals.

The nation's rising interest in nutrition is also contributing to changes in the fast-food universe. Both McDonald's and Burger King recently began frying all fried products except french fries in vegetable oil. McDonald's added milk to previously non-dairy shakes and soft-serve ice cream. Hardee's and Wendy's advertise the leanness of their hamburger meat.

The gourmet burgers fad was strong enough to launch scores of companies, but not strong enough to sustain them all. The surviving companies, including Fuddrucker's and Red Robin, are adding more chicken, fish and salads to menus. Executives at both companies, however, say hamburgers remain their menu mainstay.

#### MCDONALD'S

While the rest of the hamburger world rolled out salad bars a few years ago, McDonald's patiently tested—both in labs and in the field—pre-packaged salads.

After nearly a decade of such tests, in mid-May, the world's biggest chain finally rolled out five salads. Chef, Chicken Oriental, Garden and Side salads are available in all U.S. stores, while Shrimp salads are available in some markets.

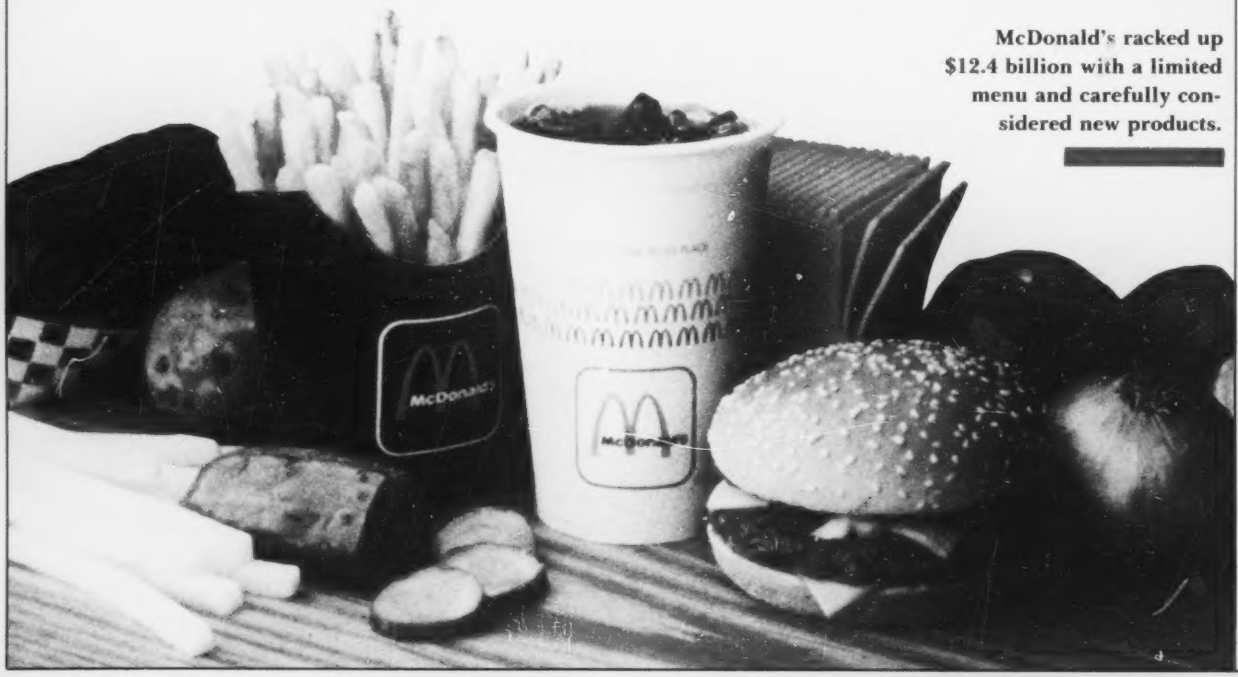
Because of the careful consideration McDonald's bestows on each menu possibility, the chain never will set fast-food trends. Nor does it want to. "We always will offer a limited menu," executives stressed at McDonald's annual meeting, held May 15 at headquarters in Oak Brook, Ill. The company waits trends out, and follows up on the ones that seem to stick.

Most of the products introduced over the last year simply are variations on existing menu offerings. McNuggets served with Oriental sauces, chopsticks and a fortune cookie carried the name Chicken McNuggets Shanghai, and constituted the company's most successful promotion of last year. Sausage and eggs enhance a new variety of McMuffin, also rolled out last year. Three types of biscuits were rolled out with the Sausage McMuffin with Egg, adding a new angle to the chain's breakfast program.

The company will not allow several ideas to die. The McRib sandwich, made with a new sauce and designed to be less messy, is being used as a promotional sandwich in the South.

#### BURGER KING

Burger King attributes its 12% sales growth to the company's "have it your



**McDonald's racked up $12.4 billion with a limited menu and carefully considered new products.**

**Burger King repackaged burgers into bundles for snacking customers.**

way" style of burger cookery. And the Whopper continues to be the chain's best-selling item. Burger King, however, refuses to rest on menu laurels, and continues to roll out new products.

Last year saw the introduction of Burger Bundles, one-ounce hamburgers that come three and six to a package. Burger King terms the bundles "remarkably successful," in part because they are supported by the new "The Best Food for Fast Times" ad campaign.

When Chicken Tenders first entered stores, the accompanying ads proved so compelling that stores ran out of the product. The ads were pulled until Burger King produced enough Tenders to meet demands. The deep-fried chicken portions come six, nine or 12 to the box, and are served with horseradish, barbecue or sweet-and-sour sauce.

Like several fast-food burger chains, Burger King also is testing pre-packaged shrimp, chef, garden, pasta and side salads that may replace salad bars.

Burger King continues to add convenience to its breakfast menu. The company rolled out A.M. Express, a line that includes French Toast Sticks and the Great Danish, and complements the Croissan'wich. A cinnamon-raisin biscuit is in test in Atlanta company-owned stores. The biscuits come in one-, two- or six-packs.

### WENDY'S

The Big Classic hamburger and Crispy Chicken Nuggets, both introduced in 1986, have been given most of the responsibility for enhancing Wendy's sales.

The new hamburger, introduced in September, represents a return to the basics for the 3,727-unit hamburger chain. The quarter-pound burger, topped with pickles, onions, tomatoes, lettuce and condiments, is served on a corn-dusted kaiser roll.

Crispy Chicken Nuggets, rolled out in the spring of 1986—shortly after the chicken club sandwich—are designed to attract more families and children, according to Wendy's. The nuggets come six, nine or 20 to the package, and are priced between $1.29 and $3.99.

In their desire to promote the new lunch- and dinner-time products, Wendy's executives have shifted their focus away from the breakfast program. Breakfast is now available in about 14% of company stores and 24% of franchised stores. The breakfast menu remains an option for managers, and tests continue on breakfast-product variations.

### CARL'S JR.

In 1986, Carl's Jr. stores switched from a rehydrated potato product to a frozen version of the real thing. Now, "Great

Wendy's BIG Classic

**Wendy's Big Classic debuted in the fall.**

## BURGER LEADERS

| | | | |
|---|---|---|---|
| 1 | **McDONALD'S (1)** | **Sales: $12,400MM** | **Units: 9,410** |
| 2 | **BURGER KING**<br>**Pillsbury Restaurant Group (3)** | **Sales: $4,400MM** | **Units: 4,743** |
| 3 | **WENDY'S**<br>**Wendy's Intl. (6)** | **Sales: $2,747.2MM** | **Units: 3,727** |
| 4 | **HARDEE'S**<br>**Imasco USA (9)** | **Sales: $2,268MM*** | **Units: 2,822** |
| 5 | **CARL'S JR.**<br>**Carl Karcher Ent. (54)** | **Sales: $344.9MM**** | **Units: 433** |
| 6 | **SONIC IND. (61)** | **Sales: $291MM** | **Units: 958** |
| 7 | **WHITE CASTLE SYSTEM INC. (70)** | **Sales: $268.5MM** | **Units: 222** |
| 8 | **GROUND ROUND INC. (82)** | **Sales: $225MM*** | **Units: 194** |
| 9 | **WHATABURGER INC. (81)** | **Sales: $225MM** | **Units: 365** |

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year; unit figures represent the number of units open as of 1/1/87. **R&I* estimate; **company est.; †commercial equivalent

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# 400: BURGERS

## BURGER LEADERS

10
**THE KRYSTAL CO. (102)**
**Sales: $174MM**
**Units: 237**

11
**FUDDRUCKERS (138)**
**Sales: $118.4MM**
**Units: 105**

12
**DRUTHERS INTL. INC. (160)**
**Sales: $96.9MM**
**Units: 155**

13
**RED ROBIN INTL. (186)**
**Sales: $81MM**
**Units: 47**

14
**ORIGINAL HAMBURGER STAND**
**Galardi Group Inc. (132)**
**Sales: $65MM**
**Units: 65**

15
**JACK'S FOOD SYSTEMS INC. (260)**
**Sales: $52MM****
**Units: 97**

16
**HAMBURGER HAMLETS INC. (314)**
**Sales: $41MM****
**Units: 24**

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year; unit figures represent the number of units open as of 1/1/87. **R&I* estimate; **company est.; †commercial equivalent ©1987 *Restaurants & Institutions*, a Cahners publication

## Prepared, packaged salads are replacing salad bars, which ignore drive-thru customers.

Stuff" baked and topped potatoes, as well as french fries are hot sellers at all 437 restaurants.

After upscaling units and hiking prices for several years, Carl's Jr. has decided to return to the days when it was a no-frills hamburger stand. The new potatoes, a simpler breakfast menu, a chicken club and barbecue chicken sandwich, and a self-serve beverage bar complement the menu mainstay, charbroiled hamburgers.

The Chicken BBQ Sandwich received the American Heart Association's "Dine to Your Heart's Content" seal of approval, due to its low cholesterol content.

Products in test include a self-serve sundae bar. For $1.49, customers can dress ice cream with a variety of toppings.

### HARDEE'S

To Hardee's, repositioning means offering product consistently better than the competition's. So when the company reintroduced its quarter-pound hamburger, steps were taken to practically guarantee its quality.

The hamburgers are gently cooked on a topsided grill, which locks in the juices, according to Hardee's. That process, and the fact that the hamburgers are made of 100% American beef, provide the substance for the chain's product advertising.

Hardee's attributes 28% of its sales to its Rise and Shine biscuits. Eggs and a choice of sausage, bacon or chicken-fried steak patty are served on a biscuit that is made from scratch.

The company is in the process of rolling out seafood, chef, garden and side salads, which should be in half the stores by the end of the summer. This summer also will see the rollout of vanilla, chocolate and vanilla-chocolate swirl soft-serve ice cream. Strawberry,

**Hardee's engineers invented a top-sided grill to cook the company's revamped burger. The burger consists of all-American lean beef.**

Fuddruckers
"The World's Greatest Hamburger"

**Fuddruckers, one of the gourmet burger survivors, has added more chicken and salads to the menu, and is testing complete table service in some units.**

hot fudge and hot caramel sundaes round out the ice-cream offering.

### WHITE CASTLE

White Castle joined the industrywide effort to attract more children with Castle Meals. "We offer more choices," says Gale Turley, vice president of marketing. For 99 cents, kids 12 and under get a hamburger or cheeseburger, french fries and a soft drink or shake.

The 222-unit chain is testing breakfast sandwiches in Columbus, Ohio, and Cincinnati. The sandwiches consist of cheese, egg and sausage or ham on a hamburger bun. Columbus stores offer formed bacon as an alternative to sausage or ham. Stores in Minnesota continue to test a turkey sandwich.

### FUDDRUCKERS

Fuddruckers plans to dispel the effects of the depressed Southwestern economy with an updated menu.

The 106-unit chain continues to offer dress-it-yourself gourmet burgers as its signature item. In late 1986, the company introduced "Specialty Burgers," ⅓-pound and ¼-pound burgers topped with a combination of cheese, mushrooms and bacon. The specialty burgers, plus a new menu design, has increased check averages from $4.53 to $5.12, the company reports.

A seasoned and grilled whitefish sandwich, introduced in March, boosts the non-red-meat section of the menu. Fajitas are now available in Fuddruckers stores in Texas, and three new salads were rolled out in several markets.

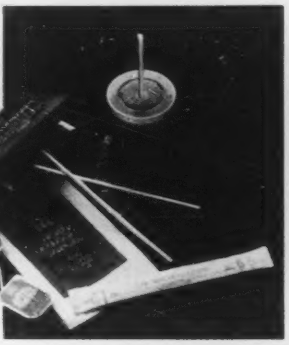
On the dessert side, the chain continues to test freshly made pies and ice cream and sundaes, shakes and malts. The company says those items will not roll systemwide unless they prove profitable and simple to prepare.

### RED ROBIN INTL.

Red Robin, like other surviving gourmet burger chains, is rolling out a variety of menu items to appeal to more customers. Hamburgers, however, remain Red Robin's best-selling menu item.

One of the company's most ambitious projects is its first-ever summer menu, created by Jim West, vice president of food and beverage. The menu, a 10-inch-by-17-inch die-cut pineapple wearing sunglasses, features two signature salads. The first is a tropical fruit salad, served in a pineapple boat; the second is a seashell pasta salad. Chilled soups, salads served in tomatoes, avocados and papayas, bagels, ice cream floats and tropical fruit drinks with or without alcohol round out the menu.

The menus and table tents feature a new style of photography, according to John McRae, vice president of marketing. "We're making a new and dramatic approach to our menu items," he says. The newly photographed items rarely are plated, and the photos play up fruits and vegetables. "After the dark and heavy burgers, we needed a change," McRae says.



### SOMETHING TO SQUAWK ABOUT

These days, hamburger chains pay as much attention to chicken as they do to beef. McDonald's reported that Chicken McNuggets Shanghai, served with a fortune cookie and chopsticks, constituted its biggest promotion of 1986. Wendy's Crispy Chicken Nuggets rollout eclipsed its breakfast rollout. Burger King ran out of Chicken Tenders during the item's first week on the menu, forcing the company to pull ads for the product while it stepped up production of the Tenders. Hardee's tested nuggets in six company stores, but will pull the item, probably in deference to the chain's popular chicken sandwich, introduced in 1981.

Crispy Chicken Nuggets
Wendy's

# 400: SANDWICHES

## All Noshing Aside, Food Bars Are in at Sandwich Shops

### Customers have their pick of side dishes to accompany a variety of innovative sandwiches.

Walk into just about any sandwich operation and you can sidle on up to the bar—salad bar, that is. And this year, do-it-yourself patrons will be able to help themselves to pasta buffets at Rax, potato salad, coleslaw and other deli delights at Schlotzsky's, and a tempting sandwich-toppings bar at Roy Rogers.

Unlike a visit to one of the popular hamburger restaurants, the customer's choice is not always set on a slight variation of the hamburger, soda and fries menu. In opting for a sandwich shop, the consumer shows a desire for an alternative, and sandwich operations are pleased to accommodate. The popularity of food bars is directly attributed to the wish for choice and self preparation, as well as to the customer's perception that food-bar selections represent unusually good value.

Despite the success of the food-bar trend, the basic sandwich still reigns supreme and operations are concentrating on upscaling sandwich offerings. Chicken clubs and French bread pizzas are popping up on many sandwich shop menus. Bread, the mainstay of the sandwich, is receiving the attention it deserves: several operations bake their own daily and others offer unusual varieties such as pita and sourdough.

On close inspection, the companies profiled in this segment all show different formulas for success. However, the No. 1 rule of foodservice, meeting customer demand, is shown in each through the astute attention paid to what works, what doesn't and the willingness to act quickly on the trends.

**ARBY'S INC.**
Arby's roast beef sandwich remains the company's hottest-selling item, reinforcing the old maxim that "If it ain't broke, don't fix it." In this case, that means that although the company is constantly evaluating current products and testing for new items, nothing takes precedence over maintaining the quality of their primary money maker. Two new versions of the roast beef sandwich will be introduced this year, but details are still under wraps.

The company is also adding pre-packaged salads to menus in 1987. The line includes chef, garden and shrimp salads. The chef has a mix of turkey, ham, cheese, boiled eggs, tomatoes and cucumber; the garden consists of cheese, boiled eggs, cherry tomatoes, lettuce, cabbage and cucumbers; and the shrimp features boiled eggs, tomatoes and cucumbers in addition to shrimp. Three other pre-packaged salads—pasta, chicken and spinach—are being tested for possible addition to the 1987 menu. Where successful, units will certainly continue soup and salad bar service, but the pre-packaged variety, available for orders to go, may replace salad bars in many operations; drive-thru service accounts for 40% of sales at Arby's.

The company also reports that the Philly Beef 'N Swiss on a poppy seed roll and the roast chicken club, new this year, are doing well.

**ROY ROGERS**
Although roast beef sandwiches are still a popular item, chicken and burgers now lead in sales. The "What a Taste!" campaign of 1986 was used to introduce chicken nuggets and new kid's meals, and August was "Chicken Month." Special promotion of chicken products paid off handsomely and fried chicken is a current best seller. Biscuits accompany all chicken dishes as well.

Roy Rogers burgers have a special

**At Arby's, roast beef sandwiches are the name of the game. The poppy seed bun adds the final touch to this appetizing RB selection.**

**Chicken is the big seller at Roy Rogers, but roast beef is holding its own.**

appeal. Patrons are free to design their own gourmet hamburger by taking advantage of the Fixins' Bar, which offers lettuce, onions, pickles, tomato and two sauces, tangy dill mustard, and hot and spicy salsa.

### RAX RESTAURANTS INC.

The new marketing position, "Fast Food with Style," is well backed by the appealing array of dishes offered by this sandwich operation. Rax has truly taken advantage of the salad bar trend.

The Salad Plus Pasta Bar has 40 traditional salad items, including lettuce, vegetables, beans and several dressings, plus a pasta bar open after 4 p.m. weekdays and all day on weekends. The pasta bar offers four hot pastas; spaghetti, shells, rotini with vegetables and rainbow rotini; three hot sauces, alfredo, marinara and meat sauce; garlic bread; and two soups.

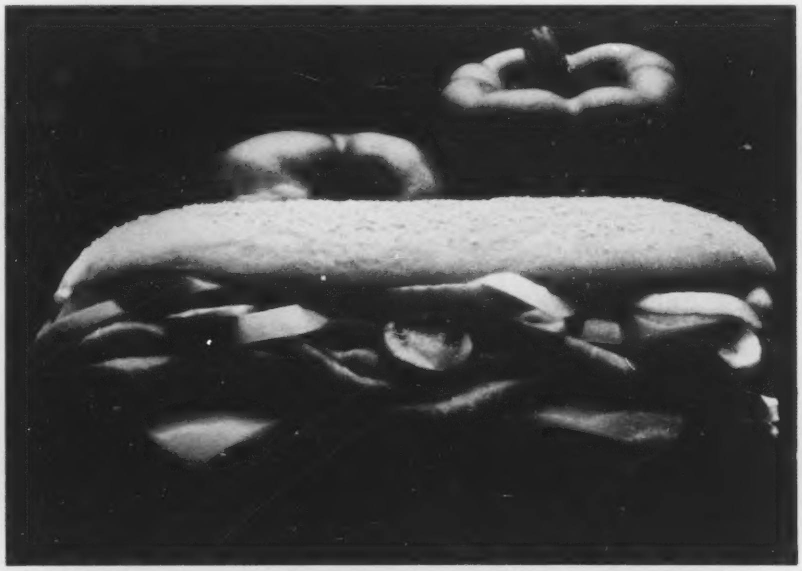
Patrons can go south of the border by heading to the end of the buffet where the makings for Mexican meals are found. Warm nacho chips, tortillas, hot beef, cheese sauce, refried beans and guacamole are just a few of the items offered. The company is currently testing a sundae bar, complete with all the toppings, to tempt those who still have a little room left for dessert.

In addition to the Salad Plus Pasta Bar, the traditional roast beef sandwich and the new Philly Beef and Cheese are hot items. A chicken sandwich may be added as well as pre-packaged Salads-To-Go for drive-thru customers.

### STEAK N SHAKE INC.

Variation on a good theme is the key to success for this steak-burger shop. There are four sandwiches under the Steak and Toppings category: the Philadelphia; Cheddar and bacon; mushroom and Swiss; and Mexican, which boasts chili peppers, taco sauce, diced tomatoes, lettuce, corn chips and a ranch dressing.

Grilled sandwiches are offered under the Melts heading. The Patty Melt has



**Philadelphia steak sandwiches are a popular item in many sandwich shops. Rax's version, the Philly Beef and Cheese, is served on a long, sub-like bun.**

## LEADING SANDWICH CHAINS

1 **ARBY'S (21)**
**Sales: $892.8MM**
**Units: 1,760**

2 **ROY ROGERS**
**Marriott Corp. (4)**
**Sales: $450.1MM***
**Units: 552**

3 **RAX (56)**
**Sales: $328.9MM**
**Units: 512**

4 **A&W RESTAURANTS (112)**
**Sales: $150MM**
**Units: 550**

5 **SUBWAY SANDWICHES**
**Doctor's Associates (121)**
**Sales: $140MM**
**Units: 987**

6 **WIENERSCHNITZEL**
**Galardi Group (132)**
**Sales: $123.5MM**
**Units: 331**

7 **CARROLS CORP. (134)**
**Sales: $120.1MM**
**Units: 138**

8 **ASTOR RESTAURANT GROUP INC. (165)**
**Sales: $94MM****
**Units: 265**

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# 400: SANDWICHES

## What makes a sandwich great? Fresh produce, lean meats and breads hot from the oven.

**Submarine sandwiches from Subway keep appetites whetted. Turkey, ham, roast beef, salami, tuna, the list goes on; it's a meal in itself.**

two steak burgers with American cheese and onion on rye; the Frisco Melt is a steak burger, American and Swiss with a tangy sauce on a grilled sourdough bread; and a ham and Swiss steak burger on rye also is available.

New items for 1987 include a ham sandwich on a toasted bun and a special breakfast menu promotion. Customers have their choice of eight breakfast combinations for $1.99.

### DOCTOR'S ASSOCIATES (SUBWAY SANDWICHES)

People get a craving for a good sub sandwich from time to time, and Doctor's Associates certainly has the cure. The basics include roast beef, turkey, ham, genoa salami, bologna and pepperoni, generously complemented with a choice of onions, peppers, cheese, lettuce and tomato. It's a mix and match proposition tailored to individual tastes, and the bread, freshly baked white or wheat, adds the final touch.

The biggest seller is the BMT (Biggest, Meatiest, Tastiest), which consists of ham, genoa, pepperoni and bologna. Also popular is the Subway Club, a traditional offering of roast beef, turkey and ham. For diet-conscious customers, both the BMT and Subway Club are available in salad form, known as the Antipasto and Subway Chef. Like the sandwiches, salads are prepared to order. Tuna and Seafood Crab subs also are big sellers.

New products are being tested for possible addition to the 1987 menu. Of those items, chicken salad and Chicken Cordon Bleu hold great potential. The latter consists of grilled white meat, cheese and vegetables.

### SCHLOTZSKY'S INC.

The big draw at Schlotzsky's is the "Original" sandwich. The signature item features ham, salami and another choice of meat, any two cheeses (from a choice of Cheddar, mozzarella or Parmesan), tomatoes, marinated olives and lettuce served hot on a sourdough muffin. The muffins, baked from scratch daily, have an appealing texture, with nooks and crannies to catch the melted cheeses. Other sandwich offerings include the Philly, which was added in 1986, roast beef, several cheese sandwiches and turkey breast served hot or cold, all on the fresh sourdough bread.

Schlotzsky's deli and salad bar offers a wide variety of sides, including coleslaw, potato salad and assorted pastas in addition to regular tossed greens and their accompaniments. Two Chef Francisco soups are offered every day.

The news in 1987 is a round French bread pizza baked on the signature bread. Pepperoni or plain cheese varieties are offered on dough rounds six or eight inches in diameter. So far, the results are good; the pizza already accounts for 8% of total sales.

***—Beth Gotschall***

### LEADING SANDWICH CHAINS

9
**STEAK N SHAKE**
**Consolidated Products Inc. (173)**
**Sales: $90.7MM****
**Units: 107**

10
**MAID-RITE PRODUCTS INC. (290)**
**Sales: $45MM**
**Units: 127**

11
**SCHLOTZSKY'S INC. (292)**
**Sales: $45MM**
**Units: 200**

12
**CAROUSEL SNACK BARS INC. OF MINNESOTA (293)**
**Sales: $45MM****
**Units: 315**

13
**TOGO'S EATERY**
**MTC Mgmt. Inc. (305)**
**Sales: $42.6MM**
**Units: 101**

14
**SANDWICH CHEF INC. (378)**
**Sales: $30MM**
**Units: 184**

15
**DANVER'S**
**Shoney's South Inc. (93)**
**Sales: $5MM**
**Units: 16**

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# Chicken Chain Sales Strong, but Menus Getting Lighter

## The cry to stay fried has given way to non-fried chicken items, seafood alternatives and lighter sides.

For several years, chicken chains have reaped the benefits of the public's perception that chicken is more nutritious than other meat items. From 1980 to 1985, chicken consumption increased 17.5%, meaning that the average American was consuming 57 pounds of chicken in 1985. More than one-third of the chicken is purchased at foodservice establishments, and that percentage is on the rise, according to Bill Roenigk, economist for the National Broiler Council.

As recently as last May, the chicken chains claimed that they did not need to worry about serving chicken any other way than fried. Marketing representatives said that people already saw chicken as a healthful product and that it was unnecessary to introduce non-fried items. Perhaps it is because of the new beef and pork advertising, which emphasizes nutrition, or because people are just more leery of fat in foods, but chicken moguls are moving away from fried in a big way.

Kentucky Fried Chicken: One of the world's most familiar brand names.

Kentucky Fried Chicken
Tomato Catsup
KENTUCKY FRIES
The Colonel's Corn on the Cob

Last spring, Kentucky Fried Chicken spokesperson Billie Brown said, "We have not been adversely affected by the new health attitudes." But now KFC is test marketing oven-roasted chicken. Church's Fried Chicken President Richard Sherman said, not so long ago, "We've looked at non-fried chicken products, but we don't feel anyone has mastered them yet." Church's just added mashed potatoes as a non-fried side item and "Classic Broiled" chicken with one-third fewer calories than fried chicken.

It may be, as Mrs. Winner's Marketing Director Steve Gendreau says, "not so much new attitudes among our current customers, but a whole new group of customers." This group wants a choice of skinless, lower-fat chicken and side-dish alternatives.

As a result of these changes, broiled, roasted and grilled chicken were the successful new items in 1986 and bound to be in 1987 as well. Chicken nuggets, so popular for four years, have slacked off; in fact, Popeyes discontinued the item in favor of a seafood alternative.

Menu diversification has been a key for many chicken chains' success, attracting new customers and increasing sales. Church's spicy chicken was a move to add variety to the menu. Sisters Chicken and Biscuits introduced catfish sandwiches last year. Popeyes claims one of its menu advantages is the variety of side dishes, ranging from red beans and rice to fried onion rings.

Chicken chains also pump up business with promotions. Chicago area-based Brown's heavily promotes a dial-one-number catering service. Popeyes' Houston units ran a quiz contest with a local radio station.

### KENTUCKY FRIED CHICKEN CORP.

The leading chicken chain, which joined PepsiCo in October 1986, has one of the most widely recognized brand names in the world. Since KFC opened in the '50s, there has been little departure from its basic fried chicken menu fare. Despite claims that it was unconcerned about "all the health talk," however, KFC test marketed an oven-roasted chicken item in 1986.

KFC is trying to expand its customer base with non-fried foods and light

RESTAURANTS & INSTITUTIONS

COLESLAW
A GREAT NEW TASTE!
LOVE THAT CHICKEN!
from Popeyes
OPEN HERE

**Popeyes' little chicken sandwiches are competing with KFC's Chicken Littles.**

meal and snack alternatives. The company also plans to increase its emphasis on lunch-time items in an effort to increase its already dominant chicken chain market share and to prevent McDonald's from making any more inroads into the chicken arena.

Its rollout of one-ounce 39-cent Chicken Little sandwiches sometime this summer should help move KFC in this direction. The sandwiches are square, breaded chicken patties on small buns, flavored with the Colonel's "15 secret herbs and spices."

The Kentucky roasted chicken—a chicken quarter marinated and sprinkled with a special seasoning mix—is now being tested by KFC's oldest franchisor, Harman Management. The aim is to compete with the El Pollo Asado and El Pollo Loco chains.

KFC also has replaced Kentucky fries with shoe-string potatoes and is testing home delivery with a central phone number.

### CHURCH'S FRIED CHICKEN INC.

Menu variety is the key to Church's marketing strategy, says Dorian W. Gibbs, senior vice president of operations. Spicy chicken and mashed potatoes with gravy, introduced in 1986, were chosen for their compatibility with other Church's products.

Customers readily accepted spicy chicken. The company found that mashed potatoes with gravy, added as a side item, traveled well for its many takeout customers.

The newest menu item is Classic Broiled Chicken, which Church's claims has one-half the fat and one-third fewer calories than the fried chicken. The item was added in response to market research that indicated a definite demand for a non-fried product. It was tested successfully in San Antonio, and the company already has begun an expanded test in three additional markets.

### POPEYES

Popeyes dropped its nuggets in 1986 and replaced them with Cajun Popcorn, baby shrimp fried in batter and served with several sauces. The shrimp was tested in 1985 and the rollout was completed in 1986. The company's side dishes—onion rings, red beans and rice, and dirty rice—have proven very lucrative.

Currently Popeyes is testing little chicken sandwiches, an effort to compete with KFC's new Chicken Littles. Spicy Cajun Fried Chicken and Popeyes biscuits continue to be the most popular items. A barbecued chicken sandwich satisfies customers who want non-fried chicken. Dirty rice, and red beans and rice, technically side dishes, are often ordered as main dishes with biscuits."

## LEADING CHICKEN COMPANIES

1
KENTUCKY FRIED CHICKEN CORP.
**PepsiCo (2)**
**Sales: $3,500MM**
**Units: 6,575**

2
CHURCH'S FRIED CHICKEN INC. **(36)**
**Sales: $577.7MM**
**Units: 1,532**

3
POPEYES
**A. Copeland Ent. Inc. (47)**
**Sales: $415MM**
**Units: 656**

4
BOJANGLES' CHICKEN AND BISCUITS
**Horn & Hardart Co. (73)**
**Sales: $256.5MM****
**Units: 325**

5
GRANDY'S INC.
**Marriott Corp. (4)**
**Sales: $230MM**
**Units: 200**

6
CHICK-FIL-A INC. **(98)**
**Sales: $181.4MM**
**Units: 345**

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# 400: CHICKEN

## LEADING CHICKEN COMPANIES

7 **MRS. WINNER'S**
**Winner's Corp. (110)**
**Sales: $116MM**
**Units: 170**

8 **BROWN'S CHICKEN (144)**
**Sales: $108.1MM***
**Units: 158**

9 **PIONEER TAKEOUT CORP. (157)**
**Sales: $98MM**
**Units: 290**

10 **SISTERS RESTAURANTS**
**Wendy's Intl. Inc. (6)**
**Sales: $54MM**
**Units: 68**

11 **EL POLLO LOCO**
**Denny's Inc. (13)**
**Sales: $44.5MM**
**Units: 59**

12 **LEE'S FAMOUS RECIPE CHICKEN**
**Shoney's Inc. (16)**
**Sales: $20.5MM**
**Units: 268**

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## Broiled, roasted and grilled chicken items appeal to the health-conscious crowd.

### CHICK-FIL-A INC.

This is one chicken chain that is unconcerned about adding a nonfried chicken product. Its basic menu items are boneless chicken breast sandwich, chicken nuggets, breast of chicken, soup, salad and desserts. The hottest-selling chicken item continues to be the chicken sandwich, a breast of chicken on a hot buttered bun. Waffle fries introduced last year caught on right away and have continued to sell well.

New product horizons in 1986 included a 40% larger chicken nugget and a walnut brownie. In 1987 a "kid's size," 10-oz. soft drink will be added along with Nuggets Meal for Kids. The meal, which includes six nuggets, waffle fries, soft drink and a child's premium, performed very well in consumer tests, with 98% of the mothers and children rating it as good or better than competitive children's meals.

Chick-fil-A's successful marketing campaign continues to be "Taste It. You'll Love It For Good"; free nuggets or cut-up breast fillets are handed out to shoppers walking past the mall units.

### EL POLLO LOCO

El Pollo Loco was the first to introduce chicken marinated in fruit juices, spices and herbs, grilled over an open fire. Last year it won approval of the American Heart Association and was admitted to the AHA "Dine to Your Heart's Content" program in February 1986. To announce their participation, El Pollo Loco units place special heart-shaped decals next to menu items.

This year also saw the addition of two new menu items. Spanish rice, made with long-grain rice, green and red bell peppers, toasted onions, tomatoes and celery, contains only 100 calories per serving. Side dish orders increased by 10% during testing of the product. It is now an AHA approved item and company officials feel it is a good complement to the menu.

The other item successfully tested was a frozen, dairy-based dessert flavored with pineapple. The new product adapts well to standard soft-serve machines. The company plans to offer the item to Los Angeles and Orange county markets.

*continued on page 62*

**Chick-fil-A is sticking to fried.**

Chick-fil-A
WafflePotato Fries
Chick-fil-A
Chick-fil-A

# 400: CHICKEN

## On the side, chicken-loving customers are eating salads, baked potatoes and beans.

**Jumping on the health bandwagon, Mrs. Winner's has introduced Thinner Dinner Salads as a partner to baked chicken.**

### MRS. WINNERS

The baked chicken introduced by Mrs. Winners in 1985 was only the first step towards a thinner menu. Step two in the company's nutrition and diet-conscious program began in 1986, with the introduction of a line of Thinner Dinner Salads. The major challenge was convincing consumers the product fits the fried chicken and biscuits image of Winner's.

Steve Gendreau believes the salads are a natural follow-up product to the baked chicken. The salads come in three varieties: shrimp and crab, chicken and tossed salad. They are served in edible tortilla bowls, adding to the visual presentation. The product was first tested in November 1985 in Baton Rouge, La.

The next step in the "Thinner Campaign" is an introduction of a hoagie-like sandwich served on a sesame roll. Varieties will include lettuce and tomato, smoked ham and turkey, and the traditional bacon, lettuce and tomato. They will be positioned as lighter lunches, an extension of the Thinner Dinner Salads.

The newest item to be added to Winner's units is a boneless breast of chicken, marinated and baked without the skin, introduced in the summer of 1985. New equipment was installed to accommodate this popular item.

### PIONEER TAKE OUT CORP.

To please the health-conscious consumer, Pioneer has posted signs in all its units, telling customers that its chicken is fried in pure vegetable shortening. The company is also testing lighter items.

Testing of breakfast items continues, as well as testing of baked potatoes and rotisserie chicken. Biscuit sandwiches, chicken fillet and chicken-fried steak served with country gravy, introduced in 1985, have been well accepted.

### LEE'S FAMOUS RECIPE CHICKEN

Not to be outdone by the larger fried chicken chains, Lee's is in the process of testing several potential menu items, including sandwiches of roast and barbecued chicken, designed to bolster lunch and drive-thru business. Neither sandwich is fried, giving Lee's menu a broader appeal.

Roast chicken, a 1985 rollout, continues to appeal to nutrition-conscious consumers. —***Nancy Backas***

### WHO HAS THE LIGHTEST CHICKEN?

The chicken chains are clamoring to increase their customer base by adding light chicken items and non-fried side dishes. Here is a sampling of the lighter items chains are adding.

**Kentucky Fried Chicken:** oven-roasted chicken, a chicken quarter marinated and sprinkled with a special seasoning mix

**Church's:** classic Broiled Chicken with one-third the calories and one-half the fat of fried chicken

**Popeyes:** barbecued chicken sandwich, with sides of red beans and rice or dirty rice

**Chick-fil-A:** fried chicken cooked in pure peanut oil; salad is offered as a side dish.

**El Pollo Loco:** Non-fried chicken has earned approval of the American Heart Association.

**Mrs. Winner's:** Thinner Dinner Salads and sandwiches and a boneless, skinless chicken breast

**Pioneer Take Out Corp.:** chicken fried in vegetable oil

**Lee's:** roast chicken and barbecued chicken sandwiches

# 400: MEXICAN

## The Battle Heats Up Outside California

### The West Coast market may be saturated with Mexican chains, but other states are nowhere near full.

The Mexican-food chains nationally represent a $2.3 billion segment. Of that, PepsiCo's indomitable Taco Bell commands more than half the market share.

The 2,400-unit chain is five times larger than its nearest competitor. In a five-year period, it went from 1,397 units to more than 2,400. The number of units of all the other Mexican quick-service and dinner house operations listed together here do not add up to the Bell ringer's count. Taco Bell's 1986 sales topped $1.3 billion. Total sales of the 16 other chains listed were $1.669 billion.

In the dinner house group, El Torito and Chi-Chi's lead the pack. The 10-year-old Chi-Chi's has weathered a transition period under new President Hal Smith, and is a heavy contender behind El Torito for a better-than-average-share of the Mexican dinner house market, which is just beginning to crest across the country.

The battle for market share is intensifying, however. California has seen a saturation of Mexican eating places, says Del Taco President Wayne Armstrong. So competition there will be heavier with more advertising, new product promotions and couponing.

Nationally, it's a different story. Many markets outside California are nowhere near saturation, from a Mexican-food standpoint. For some chains, average unit volumes are higher outside California because Mexican food is still a scarce commodity.

### TACO BELL

In the last three years, Taco Bell has introduced seven major new products, which have accounted for more than one-third of all dollar sales. The seafood salad, served in a fluted tortilla shell, is relatively new in Mexican quick service and is attracting an ever-increasing contingent of diners looking for lighter fare. The double beef burrito supreme, directed to heartier appetites in the 18- to 45-year-old age bracket, has upped burrito sales by 50%.

More recently, the chain took a fling with fajitas in the Southeast, promoting a steamed soft taco wrapped around sliced steak, onions, shredded cheese, lettuce, and salsa.

### EL TORITO

The Mexican dinner house chain is trying to shake its former dependency on liquor sales by boosting its food business, promoting lighter beverages such as the Margarita Lite, and featuring exhibition cooking in certain units.

Margaritas account for 50% of total liquor sales and more than 20% of total food and beverage sales. Fajitas represent 11% of sales and tostadas, 5%. No other items account for more than 5% of total volume. The company is adding more salads and other lighter fare to step up its lunch business, which accounts for about 30% of sales. Its new El Torito Grill features Southwestern (versus Sonora style) cooking.

### TACO VILLA

Tacos are by far and away the biggest sellers in both Taco Villa and Del Taco operations, where the basic menu fare features a la carte and complete dinner offerings.

But its most significant and successful promotion was for the Super Duper, the popular taco salad which won the hearts of health-minded customers.

The company is testing an ice cream dessert and preparing to roll out its grilled chicken fajitas with a lot of advertising fanfare later this year.

### EL CHICO

Dallas-headquartered El Chico Corp. pioneered Tex-Mex cuisine in Texas when owners Macario and Adelaida Cuellar opened a tamale stand at a county fair in Kaufman, Texas, in 1926.

Today, El Chico serves 15.5 million customers a year. It sells nearly 11 million fresh enchiladas annually, and uses 1.1 million pounds of fresh pinto

**PepsiCo's Taco Bell is five times larger than its nearest competitor.**

# RESTAURANTS & INSTITUTIONS

**Chi-Chi's added ice-cream sundaes in an effort to revitalize the menu.**

beans and 2,100 tons of tostados.

During 1986, the company introduced Pechugas, a higher-priced selection of grilled chicken-breast dishes, along with a number of new appetizers and a flan custard dessert. As a result, the per person check average increased from $5.85 to $6.21.

### CHI-CHI'S

Chi-Chi's menu is getting a much-needed boost with items like the Fiesta Platter, which was introduced this year. Grilled beef, chicken and seafood plates also sell well. The research and development department is testing a seafood platter that may appear on the menu later this year. Also under the microscope are a number of grilled combination platters.

Chimichangas, however, still remain Chi-Chi's signature dish and its best-selling item. The chain is emphasizing freshness and fresh-prepared foods in an effort to "revitalize" its menu.

### DEL TACO

Standard items still sell well in the units of Costa Mesa, Calif.-based Del Taco. But company President Wayne Armstrong reports that the company has just introduced the first of several dinner combination plates that can be easily microwaved or reheated for take out. Del Taco also has tested soft tacos and began introducing them into the system this past May.

The heavy competition among Mexican eating places, says Armstrong, requires that the company go heavy with new product promotions and maybe some discounting.

### TACO JOHN INTL.

Taco John's is noted for having a considerably zestier product than its competitors. Its niche, says Vice President of Marketing Arthur Becker, is one for higher spiced, less expensive, authentic Tex-Mex food.

Becker is mum on new product testing, stating that competitors copy their menu winners as fast as Taco John introduces them, citing the soft shell taco as an example. The soft shell taco accounts for about 10% to 12% of sales. The new Super Taco Salad, made with beef, beans, olives, onions, guacamole, racks up 4% to 5% of sales. Becker notes, too, that standard offerings such as chimichanga and churro, a dessert item, also are very popular.

### TACO TIME

In a health-conscious society, this Mexican fast-food chain upped its customer count 8% last year largely on the strength of its fried items. The deep-fried crisp burrito was the hottest seller, closely followed by tostadas and chimichangas.

Taco Time expects to try some new menu items in the coming year, including a marinated chicken dish, some upscale beef items and possibly a Mexican version of pizza. But Marketing Director Joseph Fredericks says a misstep with chicken nuggets, pulled from the menu last year, has made the company cautious about introducing products that another outlet already does well.

Instead, Fredericks says, the chain will design new products so that customers associate them specifically with

## TOP MEXICAN-FOOD COMPANIES

1
**TACO BELL**
**PepsiCo (2)**
**Sales: $1,300MM**
**Units: 2,500**

2
**EL TORITO**
**W.R. Grace (15)**
**Sales: $411.4MM**
**Units: 196**

3
**CHI-CHI'S (57)**
**Sales: $315MM**
**Units: 199**

4
**TACO VILLA**
**W.R. Grace (15)**
**Sales: $126.8MM**
**Units: 210**

5
**EL CHICO (140)**
**Sales: $112.6MM**
**Units: 102**

6
**DEL TACO**
**W.R. Grace (15)**
**Sales: $105MM****
**Units: 186**

7
**TACO JOHN (152)**
**Sales: $100MM**
**Units: 403**

8
**NAUGLES**
**Collins Foods Intl. (17)**
**Sales: $95.9MM**
**Units: 170**

9
**CALNY INC. (216)**
**Sales $67.8MM**
**Units: 158**

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# 400: MEXICAN

**TOP MEXICAN-FOOD COMPANIES**

10 TACO TIME INTL. (217)
**Sales: $67MM**
**Units: 223**

11 TACO BUENO
**Unigate Restaurants Inc. (188)**
**Sales: $55.2MM**
**Units: 107**

12 GARCIA'S OF SCOTTSDALE
**Famous Restaurants (230)**
**Sales: $48MM**
**Units: 31**

13 PANCHO'S MEXICAN BUFFET (301)
**Sales: $43.1MM**
**Units: 42**

14 ACAPULCO RESTAURANTS
**Restaurant Associates Inc. (94)**
**Sales: $41.9MM**
**Units: 29**

15 TACO TICO (349)
**Sales: $35MM**
**Units: 108**

16 CASA LUPITA
**Ponderosa (24)**
**Sales: $29.3***
**Units: 25**

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## Desserts, grilled chicken, beef and seafood complement usual Mexican fare.

the chain. That way, those items become "natural advertising" when they are finally introduced.

TACO TICO

Most of the action at this fast-food chain centered around store design this year, as the company continued to remodel existing units and began adding drive-thrus to some of the stores. According to Finance Director Gary Simmons, Taco Tico plans to invest another $2 million in the ongoing capital expansion drive in 1987.

In menu matters, the company is testing chicken in a few stores and may sell it chainwide in 1987. But Taco Tico seems really more comfortable with upgraded versions of its present strong sellers, such as a super deluxe version of its burrito. A fajita platter was pulled after poor customer response last year: Simmons wonders whether the item is losing its "heat" or just hasn't caught on in Taco Tico's Southeastern and Midwestern market.

***—Barbara Magan Dawson***
***—Brian J. Quinton***

**Casa Lupita's new offerings include seafood kebabs and grilled chicken.**

# 400: SWEETS

## Creating Menus Sweet Enough to Eat

### Fresh markets and menu additions are building new profit centers for dessert specialists.

Through a mix of strategies that includes aggressive marketing, smart acquisitions and expanded menus, companies specializing in sweets are stretching the boundaries of what has been, traditionally, one of the most limited niches.

Some companies have attempted to increase profits either by selling their already recognized products (such as David's frozen cookie dough) through other channels or by licensing the company name (such as Mrs. Fields' chocolate sodas) to other manufacturers. In either case, the products reach consumers through supermarket distribution and become a brand new profit center.

As in other segments, companies continue to acquire businesses whose products will mesh with their own. For example, International Dairy Queen acquired Karmelkorn Shoppes and Mrs. Fields' announced an intention to buy La Petite Boulangerie from PepsiCo.

Moving into new segments provides another way to combat slowed growth in current markets. Bresler's 33 Flavors has opened two joint-venture units with Taco John's and is planning another with a major convenience-store chain. Foster's Freeze has moved to increase revenue by opening up full-service restaurant units and has made a public stock offering to pay for any further expansion.

For all companies, continued product development is an important and ongoing process. Swensen's has increased its non-ice-cream offerings to keep profits coming in all day and all year long. This year's additions include croissant sandwiches, gourmet salads and a grilled chicken sandwich. Tastee Freez is attempting to cash in on Dairy Queen's success with the Blizzard by offering a similar product called a Freezee.

Even companies such as The Original Great American Chocolate Chip Cookie Company have gone beyond the limits of their names by adding new cookie flavors, brownies and granola bars. Throughout the sweets segment, the name of the game this year is more—more products, more units, more profits.

**INTERNATIONAL DAIRY QUEEN**

For the larger companies in this segment, continued expansion of menus and locations is often more pressing than for newcomers. Because IDQ's Blizzard (soft-serve mixed with the customer's choice of fruit, cookies or candy) is especially hot right now (18% of all sales last year), the company decided to expand on the trend and has added a Blizzard Pie.

At the same time, IDQ has come out with a Chocolate Mountain novelty bar and is renewing efforts to build sales of its Queen's Choice premium hard ice cream. On the hot food side of the menu, a quarter-pound hot dog is new this year. Products in test markets in-

**Dairy Queen's Blizzard is a long-running feature attraction.**

# 400: SWEETS

## TOPS FOR SWEETS

1 **INTERNATIONAL DAIRY QUEEN (10)**
**Sales: $1,723MM**
**Units: 5,513**

2 **DUNKIN' DONUTS (33)**
**Sales: $648MM**
**Units: 1,539**

3 **BASKIN-ROBBINS ICE CREAM CO. (37)**
**Sales: $572.1MM***
**Units: 3,311**

4 **FRIENDLY ICE CREAM (38)**
**Sales: $536.5MM**
**Units: 829**

5 **CARVEL CORP. (60)**
**Sales: $291.5MM***
**Units: 870***

6 **MISTER DONUT (108)**
**Sales: $160.8MM**
**Units: 622**

7 **TASTEE FREEZ**
**De Novo (107)**
**Sales: $103.2MM**
**Units: 430**

8 **FOSTER'S FREEZE (176)**
**Sales: $89MM***
**Units: 210**

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year; unit figures represent the number of units open as of 1/1/87. **R&I* estimate; **company est.; †commercial equivalent ©1987 *Restaurants & Institutions*, a Cahners publication.

## Testing, testing: Many new flavors, both sweet and savory, were tried out this year.

clude Q-Bob, a broiled beef or chicken product on a skewer.

IDQ is also moving to combine the advantages of its original Dairy Queen concept with those of the recently acquired Karmelkorn Shoppes. The new Dairy Queen Treat Center will sell items from both product lines at shopping mall locations. Holders of existing Karmelkorn franchises will have the option of converting their units to the dual concept, providing that they do not enter direct competition with an existing Dairy Queen franchise.

### DUNKIN' DONUTS

Coffee and doughnuts, as the name implies, are still primary drawing cards at this company's 1,500-plus units, but they are no longer the whole story. Croissants and croissant sandwiches have been a big profit booster, both for breakfast and in the slower afternoon and evening hours. Bagels, which have the look if not the taste of doughnuts, also have been added in some locations, and biscuits have been tested in the Southwest.

As for beverages, freshly roasted, ground and brewed coffee always has been important, but now customers can enjoy the same quality minus the caffeine with Dunkin' Decaf. The company has taken part in the cola war skirmishes by switching its allegiance to Pepsi fountain products.

Dunkin' Donuts also has made its first move outside of the fast-food arena this year by forming a subsidiary, Dunkin' Ventures, which has the exclusive rights to Chili's restaurants in New England, upstate New York and eastern Canada.

### BASKIN-ROBBINS

Business for this company continues to revolve around ice cream and new flavors remain a constant. This year, the product line was extended, with the addition of waffle cones, dry toppings and hot drinks. What Baskin-Robbins is most excited about, though, is its International Creams. These are premium ice creams which, while developed in the United States, are identified with European countries and have the allure of imports. They sell for 15% to 20% more than the regular flavors. Flavors include Chocolate Raspberry Truffle (British), Grand Marnier and Brandied Cherries Flambe (both French).

DUNKIN' DONUTS
DUNKIN' DONUTS

**Biscuits and bagels may soon be standard fare at Dunkin' Donuts.**

The company also seems to realize that what you have added today may not meet consumer demands of tomorrow, so frozen yogurt and cookies are being test marketed in selected areas. An estimated 86 new units are scheduled to open by year's end, with advertising support coming more from regional promotions than from any major national campaign.

### MISTER DONUT

Mister Donut expanded [illegible] product line in the past year by adding a number of coffee rolls, muffins, brownies and cookies to augment the basic line of doughnuts and coffee. The company is also working on a soft-serve ice cream test with a Minneapolis neighbor, International Dairy Queen. Unit expansion will continue this year with the development of franchises in the Atlantic seaboard states and within Canada's Maritime Provinces. Experimentation with new unit design, drive-thru windows, non-counter service and satellite

# 400: SWEETS

### TOPS FOR SWEETS

9 **BRAUM ICE CREAM (137)**
**Sales: $118.8MM***
**Units: 180***

10 **SWENSEN'S (187)**
**Sales: $80MM****
**Units: 350**

11 **ORIGINAL GREAT AMERICAN CHOCOLATE CHIP COOKIE CO. (224)**
**Sales: $63.1MM***
**Units: 406**

12 **MRS. FIELDS' COOKIES (240)**
**Sales: $58.7MM***
**Units: 285**

13 **DAVID'S COOKIES (339)**
**Sales: $36.5MM***
**Units: 200****

14 **BRESLER'S 33 FLAVORS (344)**
**Sales: $35.8MM****
**Units: 325**

15 **KARMELKORN SHOPPES**
**International Dairy Queen (10)**
**Sales: $32MM***
**Units: 234**

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## Supermarket distribution and international franchises help pump up sales figures.

locations such as kiosks also will continue.

### TASTEE FREEZ

DeNovo Corp. operates four concepts in the sweets category: Dog 'n Suds (50 units); Dairy Isles (55 units); BK Root Beer Systems (57 units); and Tastee Freez (430 units). Although the company remains committed to the first three, Tastee Freez is certainly the most important concept.

Spurred by the success of arch rival Dairy Queen's Blizzard, Tastee Freez has come up with its own mixture of soft-serve ice cream and candy, fruit or other toppings. Based on its cup count, the company estimates that the Freezee accounted for $2.5 million in sales in 1986.

During the past year, customer counts throughout the chain have remained steady, but the company has had to fight to maintain that level through coupons, discounting and other marketing weapons.

### DAVID'S SPECIALTY FOODS

Originally called David's Cookies, this company took on a new name to reflect a major change in direction. The in-store product line was expanded to include—in addition to cookies—David's French Bread and French Bread Pizza, David's Brownies, David's Gummi Bear candy and David's Ice Cream. Activity was brisk in the company-owned and franchised cookie stores, but they were only part of the David's story this year.

Hooking onto documented consumer trends, management decided to take advantage of the proven brand recognition and quality associated with the David's name by introducing the frozen cookie dough to a whole new audience through supermarket distribution. Other retail products for sale outside David's own stores will follow. The company opened 30 new David's units in 1986 and have another 50 planned for 1987. As impressive as these figures are, they shrink when compared to the 1,400 supermarket outlets picked up last year and the close to 3,000 planned for 1987.

David's also has moved to expand its international base with the opening this year of stores in the United Kingdom and France, following on the heels of last year's entry into the Canadian market. David's President Stephen Stein, takes great pride in the fact that the company has managed to grow to its current size without ever spending a single dollar on advertising, although that may change as the retail orientation takes on greater importance. —*T.L.*

**For relief on a hot summer day, soft-serve ice cream is hard to beat.**

# 400: SEAFOOD

## Exotic Species Create New Experiences

### Preparation techniques expanding; consumer enthusiasm sparks tremendous segment growth.

Because of the shortages of some popular fish species, operators are becoming more dependent on lesser-known imported products. Coupling that with greater customer sophistication and increased awareness that fish is a healthy dining alternative is making the seafood segment one of the fastest growing areas of the restaurant industry.

Restaurants have felt little consumer resistance about trying new items like *opaka paka* and mahi mahi from Hawaii, orange roughy and *hoki* from New Zealand, shark, mussels and squid. Operators are able to offer an even greater variety of fresh fish by turning to farm-raised trout, catfish and salmon.

Some of the more popular entrees like cod, haddock, crab, sole, flounder and lobster are in tight supply. But operators have found that increased prices are not affecting demand.

Preparation techniques are changing, especially at the family-style and fast-food operations. Broiled, mesquite and charcoal-grilled methods, once found only in upscale seafood restaurants, are now available just about everywhere. And for those who still do not have a taste for fish, chicken can now be found on many family and fast-food seafood menus.

What else is hot? Seafood salads, combo platters, shrimp fests, Cajun, blackening and clam chowder. Everyone in the segment is taking advantage of America's new-found love for fish.

**RED LOBSTER**

The thinking at General Mills is "keep things fresh." Red Lobster uses 50 species of fresh fish with 12 varieties posted daily on restaurant blackboards. This strategy has led to an increase in customer counts of 3% and sales jumped 6% in 1986.

Combination platters (shrimp trio, broiled fisherman platter and sampler platter) continue to be the hottest items on their menu.

Red Lobster

Red Lobster followed the Cajun trend and succeeded by blackening fresh fish and promoting a Cajun popcorn shrimp and a Cajun trio platter.

Shrimp alfredo and shrimp teriyaki have tested well and may become permanent additions to the menu.

In 1986, the traditional lobster festival proved to be one of the most successful advertising campaigns. Twenty offerings, from appetizers to dinners, were available starting at $6.95. In 1987, Red Lobster will continue to emphasize variety at a lower entry level price.

**LONG JOHN SILVER'S**

New seafood salads, breaded—not battered—fish and Chicken Planks accounted for about 20% of 1986 sales and were a big reason behind increased

RESTAURANTS & INSTITUTIONS

**L&N Seafood Grills feature large and exotic varieties of fresh fish. The oyster bar acts as a holding area for waiting guests.**

customer counts. The introduction of broiled seafood, a new clam chowder and a seafood gumbo highlight 1987 plans.

The combination fish and shrimp dinner has become a permanent menu item. The catfish dinner, which had been a regional offering, has been expanded to 762 units.

The salad line represents the company's first departure from deep-fried products and is anticipated to generate enough sales to be maintained year-round.

Acceptance of broiled items has been encouraging and is expanding from two test markets to six new markets (35 units) during fiscal 1987. Broiled items will be introduced on a market-by-market basis as units are retrofitted to handle the preparation techniques. The selections include halibut, shrimp, salmon, flounder and cod. Species will vary by regional preferences. Dinners are priced from $4.50 to $6 and are expected to generate 20% of the total sales mix.

**Long John Silver's new line of light seafood salads is designed to appeal year-round to both lunch and dinner guests.**

Wasted pieces of fish too small to serve have resulted in the introduction of a new clam chowder and seafood gumbo, which are expected to provide $2.5 million in savings systemwide.

### L&N SEAFOOD GRILL

While fresh seafood dinner entrees remain the backbone of the operation, strengthening the lunch menu continues to be top of mind. Soups have been packaged with croissant sandwiches. The Sunday brunch buffet featuring shrimp salads, breads and omelets continues to be the most popular promotion.

### CAPTAIN D'S

The opening of the 500th unit in Birmingham, Ala., an increase in revenue by 18% and average unit sales higher than any major seafood chain highlighted the 1986 fiscal year.

Popular menu additions included the "Cajun Feast," a weekly value feature. This combination of fish, shrimp, okra, french fries, hush puppies, coleslaw and drink will be offered in additional markets in 1987. A weekly catfish dinner will be offered on a regional basis. Also, bite-size shrimp is now a permanent menu item, as is broiled flounder.

Many new and remodeled units will offer a new look featuring softer colors, more windows and seating for 90 customers, an increase of six over current

## LEADING SEAFOOD COMPANIES

1
**RED LOBSTER**
**General Mills (18)**
**Sales: $1,000MM**
**Units: 430**

2
**LONG JOHN SILVER'S**
**Jerrico (25)**
**Sales: $720MM**
**Units: 1,405**

3
**CAPTAIN D'S**
**Shoney's (16)**
**Sales: $316MM**
**Units: 537**

4
**SKIPPER'S (164)**
**Sales: $94MM**
**Units: 206**

5
**ARTHUR TREACHER'S (234)**
**Sales: $60MM****
**Units: 215****

6
**RUSTY PELICAN (239)**
**Sales: $58.7MM**
**Units: 19**

7
**SEA GALLEY STORES (237)**
**Sales: $59MM**
**Units: 49**

8
**SEAFOOD BROILER RESTAURANTS**
**Accor, France (264)**
**Sales: $51MM**
**Units: 24**

9
**PHILLIPS SEAFOOD RESTAURANTS (316)**
**Sales: $40.6MM**
**Units: 6**

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# 400: SEAFOOD

## LEADING SEAFOOD COMPANIES

10 **LEGAL SEA FOODS (331)**
**Sales: $38MM**
**Units: 5**

11 **SEAFOOD SHANTY RESTAURANTS (348)**
**Sales: $35MM**
**Units: 14**

12 **MONTEREY BAY CANNERS**
**Trans/Pacific Restaurants (177)**
**Sales: $22MM**
**Units: 11**

13 **L&N SEAFOOD GRILL**
**Morrison (32)**
**Sales: $22MM**
**Units: 12**

14 **FAMOUS FISH**
**Famous Restaurants (230)**
**Sales: $9MM**
**Units: 9**

15 **BIG SPLASH**
**Benihana of Tokyo (193)**
**Sales: $2MM**
**Units: 1**

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## Growing numbers of customers are willing to try the numerous healthful seafood alternatives.

**Arthur Treacher's is receiving praise for the nutritional value of its new broiled scrod and baked potato entree.**

capacity.

To ensure quality service, Captain D's intends to establish at least one training store and team in each division.

### ARTHUR TREACHER'S

The introduction of a broiled scrod and baked potato entree is helping build a new customer base and received high praise for its nutritional value from the leading fast-food critic, Michael Jacobson, director of the Center for Science in the Public Interest.

With a new emphasis on healthful eating, Arthur Treacher's is now preparing all fried foods in cholesterol-free peanut oil. Along with the broiled scrod, the introduction of an all-natural breast of chicken tenderloin has met with strong acceptance.

More broiled items are in the works. About six products are currently in test. One franchisee already has introduced a broiled fish au gratin and a broiled chicken entree.

The perennial fish and chips continues to be the mainstay of the company.

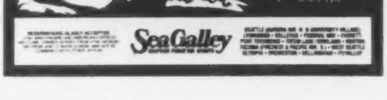
### SEA GALLEY STORES

1986 was the year Sea Galley rediscovered its true niche and reformulated its menu to give guests what they *truly* wanted—value.

The new menu introduced in late 1984 was perceived to be too expensive and has been replaced with an updated version of the original value-oriented "bucket" menu that grouped sautéed, steamed, baked, broiled and deep-fried dinner selections under the familiar $5.99, $6.99 and $7.99 price points. All-you-can-eat salad bars and old entree favorites are being stressed.

*continued on page 95*

**Sea Galley has returned from an upscale to a high-value strategy.**



• MONDAY THROUGH THURSDAY SPECIAL •
$3.99 DINNER SALE TONIGHT!
(INCLUDING OUR ALL-YOU-CAN-EAT SALAD BAR!)
SeaGalley

# 400: SEAFOOD

## While many popular entrees are in tight supply, higher prices are not greatly affecting demand.

**The Phillips family has turned a one-shack business into a $41 million operation by stressing personal service and promotions.**

Much of what was developed from the "new look" menu, in terms of more sophisticated preparation techniques, and the most popular items from the expanded appetizer and dessert menus, were retained. But they were coupled with an objective to lower guest checks and rebuild customer counts through promotion of lower-priced entrees.

### PHILLIPS SEAFOOD RESTAURANTS

While Phillips specializes in crab and the seafood fare of the Eastern Seaboard, operators are concentrating on training and upscale service this year. The customer is king in this upside down organization that Brice and Shirley Phillips started in 1956 as a tar-sided take-out crab shack in Ocean City, Md.

The seafood platter, fried or steamed, is the hottest seller on the menu. Trendy fresh fish entrees are constantly added or deleted from the menu's featured selection flier. Whatever goes over well is added to the permanent menu.

Crab, in every form, is the mainstay of the business. The Maryland blue crab is the pride of the Phillips family. The six units serve crab cakes, shoft-shell crabs, crabs Oscar, steamed crabs and crab imperials.

While supply is ensured in the summer, the family looks to the Gulf Coast and as far away as Africa for its winter supply. Crab meat prices have driven food cost to 42%, but the Phillips have not yielded to price increases because volume is crucial to this $40 million business.

Many of Phillips' promotions are directed at group sales from tours and conventions. Captain Phil attends community functions and conventions to promote the restaurant.

### MONTEREY BAY CANNERS

Fresh seafood is one of the hottest sellers in the industry, so these mesquite-broiling specialists concentrate on flying in a wide variety of seasonal species from sources worldwide. 13 to 15 fresh entrees are available daily.

The restaurant's purchaser is buying fish from Equador, Costa Rica, Norway and New Zealand. Fresh swordfish is coming from Japan and Taiwan. Canada has become a great source for cod and Lake Superior whitefish. Sea bass is bought in Chile.

Because of the great variety available, a grazing selection will be introduced this year to let customers experiment with new species. Seafood salads, such as crab, avocado, shrimp and tomato, are new to the menu, as well.

Monterey Bay Canners are radio sponsors of Los Angeles Dodgers' and California Angels' baseball games. Campaigns often feature a particular menu item and may involve discounting. The concept also has been involved in community activities, having sponsored 1,000 underprivileged children to attend baseball games.

### SKIPPER'S SEAFOOD 'N CHOWDER HOUSE

Traditional, value-oriented promotions such as all-you-can-eat shrimp and fish or a fish sandwich and chowder for $2.99 make the cash registers ring as this fast-food chain sticks to the basics.

No menu additions or tests are in the works here. Skipper's will continue to spotlight its strong sellers in an attempt to steal some business from the hamburger chains.

The only change at Skipper's is in the batter. They use a breaded coating for a lighter, crispier taste instead of the common wet tempura-like batter.

New items added in 1986—a double fish sandwich and a chicken tenderloin sandwich—are doing well.

### RUSTY PELICAN

Fresh seafood sautéed with roasted macadamia nuts; halibut broiled with

*continued on page 100*

**Monterey Bay Canners features fresh, mequite-broiled seafood.**

# 400: SEAFOOD

## Many of the quick-service operations are adding broiled entrees and seafood salads.

The Famous Fish Co.

**The demand for seafood remains very strong. Consumption has increased 20% since 1982. In 1986, per capita consumption of seafood was 14.7 pounds per person. Also, only 216,000 pounds of redfish was caught in 1981, compared to six million pounds in 1986. Because of its popularity, the government has placed a moratorium on direct commercial harvesting of redfish in federal waters off the Gulf of Mexico.**

Kenyan spices; swordfish marinated overnight in wine—new preparation techniques such as these are what's cooking at Rusty Pelican restaurants.

The hottest item since last September at this full-service dinner house is the Swordfish Malia, named after the Rusty Pelican's executive chef. Marinated in wine overnight, the swordfish is charbroiled and served with Santa Fe or basil butter.

Since last fall, the addition of a cob salad, a mandarin chicken salad and fresh fish brochettes have all met with great acceptance.

The Rusty Pelican also is embarking on an "Island Fever" campaign, promoting fish from Hawaii and the Pacific. The promotion includes a giveaway trip for two to Hawaii for customers.

### BIG SPLASH

Two units of this new Benihana spinoff are currently in operation, offering rather unique dining experiences.

Along with its stir-fried, sautéed, deep-fried, broiled, steamed and poached, and very popular char-grilled cooking methods, Big Splash has adopted an ancient Chinese and Japanese tradition. Seafood and other ingredients are sealed in heavy ceramic pots, baked to integrate the flavors and then opened at the table so guests can enjoy the first release of the seafood aroma. The Vesuvius Di Napoli, prepared in the clay pot, includes a hearty mix of lobster, shrimp, scallops, calamari, mussels and clams on linguini served with a choice of marinara or white clam sauce.

Also, tapas has been added to the menu and is proving to be a strong seller.

The concept made another big splash with its exclusive Empress Golden Crab of Florida promotion and "Make A Big Splash in the Bahamas" cruise giveaway.

### LEGAL SEA FOODS

Owner George Berkowitz says Legal Sea Food is *the* true seafood restaurant because, while others offer 10 fresh entrees daily, he serves 30 to 40 fresh varieties each day.

Berkowitz is hoping to extend his business outside the six units by concentrating on a mail-order business that carries the distinction of being the only mail-order seafood operation that delivers its product fresh.

Traditional New England scrod is Legal's top seller. The operations also serve between 12 and 15 gallons of chowder each week.

Cajun swordfish and tuna were the main additions in 1986. Cold salads and poached salmon have been added in 1987.

***—Jeff Weinstein***

**Benihana's Big Splash units want to offer unique seafood experiences.**

# 400: PIZZA

## The Popularity of Pizza Parlays into Profits

### Pizza restaurants are showing rapid growth. Home delivery is in great demand.

The increase in the number of two-income families and shifted household responsibilities result in less time for at-home food preparation. Add to this the dramatic increase in disposable income from two-wage households and the growing demand for good, convenient food can be well understood. These demographic trends are favorable to all aspects of the restaurant industry, not the least of which is pizza.

The universal appeal of the Italian pie is indisputable. To start with the basics, namely the ingredients, pizza is one of the more healthful fast foods available. Fresh dough, cheese, vegetables and tomato sauce baked to a golden brown in a hearth-like oven is a recipe that works for a variety of demanding tastes.

To truly harness the trends, pizza operations are looking into new avenues of growth. The lunch hour always has been somewhat of a problem area as many customers, limited by time, feel pizza may take too long. Pizza Hut offers the five-minute Personal Pan Pizza and most restaurants can produce a pizza in 15 minutes. Little Caesars has a network of Pizza Stations which offer a wide variety of lunches with no waiting. Luncheon buffets are finding a niche as patrons can make their own and have a choice as well.

**Domino's Tom Monaghan believes in the personal touch for pizza.**

Location is a key concern, especially for those chains that concentrate on takeout. More and more pizza restaurants are showing up in malls and strip centers to catch the consumer in between buying groceries and picking up the dry cleaning.

The most effective change in today's pizza chains is in menu. Pasta, and Italian cuisine in general, is experiencing a renaissance. Complex carbohydrates get the seal of approval for nutrition and the flavor and shape of pastas and their accompanying sauces are winning customers' approval. The American version is lighter than authentic Italian, cold pasta salads are in, and the chains have managed to come up with dishes that are quick as well as good tasting.

**PIZZA HUT**

The largest pizza chain in the world expanded its menu in 1986 with the Calizza Italian turnover. It consists of a round of dough which is folded over and crimped around a savory mix of either a five-cheese blend or a mix of sausage, cheese and green peppers. The semi-circle pastry bakes to a light, flaky finish, while the cheese melts around all the inside ingredients.

The Calizza is the latest of three menu additions. In 1985, the Priazzo double-crust pie was introduced and contributed $350 million to sales in its first year. In early 1986, the Priazzo Verona, a meatball version of the above, experienced similar success. Pan Pizza is still the biggest seller, accounting for about 70% of sales nationwide.

In addition to pizza and the new Italian specialties, Pizza Hut continues to offer a salad bar that includes several varieties of cold pastas with light dressings. The company also is answering the call of the trend with delivery units up and operating systemwide.

**Popular new dish, Pizza Hut's Calizza is a pocket of savory ingredients wrapped in a turnover.**

### DOMINO'S

In an 1985 interview with *R&I*, Domino's founder Thomas Monaghan said, "The system is very simple. Domino's people are pizza people, period. They try to do one thing and do it well." The philosophy has not changed, and two years and some 1,600 units later, perfecting the art of pizza making is still the driving force behind this Ann Arbor, Mich.-based chain.

In Domino's 1986 annual report, in the form of a student notebook, the category tabbed "science" details the research and development department's work in 1986. The 12 assignments ranged from dough management to delivery methods and served to reinforce the company's commitment to its single product quality.

The research team found advantages in using compressed yeast and solid shortening in lieu of dry yeast and oil. A set formulation of flour, water, yeast, salt, sugar and shortening was developed and packaged in "goodie bags" to ensure consistency of product and save time in dough preparation.

Other assignments dealt with selection, storage and handling of vegetable, meat and cheese toppings and the improvement of equipment specs, from refrigeration to preparation.

The other side of the Domino's coin is delivery. In cooperation with the University of Michigan, the company is developing a new heating device for hot boxes which will eliminate the need for combustible fuel. As it is a patentable device, details are not yet available.

### LITTLE CAESARS ENT. INC.

The Pizza! Pizza! two-for-one deal is an offer a lot of people can't refuse. It has been pivotal to the company's expansion and by the end of this year, people in all 50 states will be able to take advantage of the deal. In addition to the basics, toppings include some regional items such as black olives, jalapeño peppers, Canadian bacon and pineapple.

For those with a smaller appetite, the Pieca! Pizza!, one-quarter of a medium cheese and pepperoni pizza, and individual slices are available. The most popular side order is Crazy Bread, eight warm sticks of freshly baked bread brushed with garlic butter and sprinkled with Parmesan cheese. The sticks are accompanied by Crazy Sauce, a dip made from the company's signature tomato sauce and seasonings.

With today's light trends going strong, salads are big sellers. Antipasto, Greek and traditional tossed salads are offered with a choice of dressings. Pasta dishes are growing in popularity and Little Caesars offers a wide variety. Cold pasta dishes include Caesar's Delight, Greek Pasta Salad, Antipasto pasta salad and Caesar's Mediterranean as well as a seafood pasta and chicken pasta. Hot pasta dishes also are available: spaghetti, fettuccine and linguine noodles come with a meat sauce, a tangy marinara, a red or white clam sauce, and an alfredo.

**Two for one is the idea behind Pizza! Pizza! at Little Caesars. Pasta salads are going over big at all locations.**

## LEADERS IN PIZZA

1 **PIZZA HUT**
**PepsiCo (2)**
**Sales: $2,200MM**
**Units: 5,017**

2 **DOMINO'S PIZZA INC. (12)**
**Sales: $1,500MM**
**Units: 3,606**

3 **LITTLE CAESARS ENT. INC. (39)**
**Sales: $520MM**
**Units: 1,308**

4 **PIZZA INN INC. (69)**
**Sales: $269.7MM**
**Units: 799**

5 **ROUND TABLE FRANCHISE CORP. (75)**
**Sales: $250MM**
**Units: 500**

6 **SHAKEY'S INC. (95)**
**Sales: $196.9MM**
**Units: 395**

7 **MR. GATTI'S INC. (124)**
**Sales: $131.2MM**
**Units: 335**

8 **MAZZIO'S**
**Ken's Restaurant Systems (135)**
**Sales: $120MM**
**Units: 279**

9 **PAPA GINO'S OF AMERICA (149)**
**Sales: $104.1MM**
**Units: 180**

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# 400: PIZZA

## LEADERS IN PIZZA

10 **SHOWBIZ PIZZA TIME**
**Brock Hotel Corp. (79)**
**Sales: $104MM**
**Units: 275**

11 **NATIONAL PIZZA CO. (161)**
**Sales: $96MM****
**Units: 245**

12 **RPM PIZZA INC. (167)**
**Sales: $93.5MM**
**Units: 197**

13 **SBARRO LICENSING CORP. (185)**
**Sales: $81.3*MM**
**Units: 190**

14 **PIZZA MGMT. INC. (212)**
**Sales: $68.2MM**
**Units: 172**

15 **PANTERA'S PIZZA (232)**
**Sales: $60MM**
**Units: 120**

16 **ROCKY ROCOCO (233)**
**Sales: $60MM**
**Units: 114**

17 **PIZZARIA UNO**
**International Foodservice Co. (251)**
**Sales: $55MM**
**Units: 35**

18 **PETER PIPER INC. (262)**
**Sales: $51.7MM**
**Units: 103**

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## There are lots of ways to market pizza, from fun and games to lunch buffets.

**These talented performers are headline acts at ShowBiz Pizza Time. Kids love 'em.**

### SHAKEY'S INC.

In an attempt to boost its lunch hour trade, this 33-year-old pizza chain started a luncheon buffet in 1986. The concept is not new, but the financial success of this particular endeavor is noteworthy. In 1985, the average unit sales figure was $425,000. In 1987, with luncheon buffets available in all units, AUVs have risen to $550,000. The figure is still rising.

According to Rodney Read, vice president of marketing, the success can be directly attributed to the quality and variety of foods offered as well as to the fact that patrons, in making their own meal, can get in and out in the time alloted for the midday meal.

At the buffet, which is open for dinner as well, patrons have their choice of pizza by the slice, pastas and sauces, chicken, fish, fresh and batter-fried vegetables, baked potatoes and toppings, biscuits, garlic bread, cinnamon rolls and even tacos. Buffet menus differ depending on the tastes of a given region.

This year, Shakey's is getting innovative with its best seller, pizza. In addition to the standard toppings—sausage, mushroom, pepperoni, peppers, onions and the like—a seafood version is selling well. Cheeseburger pizza and barbecue chicken pizza are being tested.

### SHOWBIZ PIZZA TIME INC.

This unusual pizza parlor is tailor-made for children. If parents have any qualms about the behavior of their children at family dinner outings, there is plenty at ShowBiz to keep the little ones occupied. To start with, life-size animated characters including Billy Bob, Fats and Mitzy, greet the customers, sing songs and interact in general.

A kiddie area includes token-operated rides, a ball crawl and slides for the younger set. A video game room offers a variety of computerized games to keep older kids happy. Skill games such as basketball and bowling allow the whole family to participate.

The menu is simple. Since the whole concept is geared toward family fun, parents are not faced with the usual problems of portion and choice when ordering for their children. Pizza, a traditional single-crust affair, is the most often ordered item. Calzones, breadsticks and sandwiches, including ham and cheese, hot dogs and hamburgers, round out the menu. Salad bars cater to adults and there is the possibility of adding some pasta dishes to the fare. Soda by the pitcher may give way to self-service in 1987.

### SBARRO

At Sbarro, it's a family affair. What Gennaro and Carmela Sbarro started in 1936 still runs under the careful guidance of sons Joseph, Mario and Anthony. But the only thing that's old-fashioned about this Italian operation is the quality of the food. All menu items,

# 400: PIZZA

## LEADERS IN PIZZA

19 **PIZZA HUT OF TITUSVILLE INC. (266)**
**Sales: $50.6MM**
**Units: 92**

20 **PIZZA KING FRANCHISES INC. (294)**
**Sales: $45MM***
**Units: 91**

21 **NOBLE ROMAN'S INC. (291)**
**Sales: $45MM**
**Units: 110**

22 **DINO'S USA INC. (319)**
**Sales: $40MM**
**Units: 200**

23 **OLD SPAGHETTI FACTORY OSF Intl. (345)**
**Sales: $35.6MM**
**Units: 24**

24 **VALENTINO'S (380)**
**Sales: $30MM**
**Units: 39**

25 **COULTER ENT. (362)**
**Sales: $32MM**
**Units: 67**

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## The Italian renaissance has come again. Old World philosophies work in the new world.

prepared daily on the premises, are based on family recipes that have been handed down over the years.

The hottest-selling menu item is pizza, most often sold by the slice. The Sbarro dough is hand-stretched and proofed overnight. The dough also is used in the cheese, spinach and meatball calzones. This year, taking note of the most popular pizza topping, the company will introduce a pepperoni calzone. The sausage roll consists of chunks of spicy sausage, peppers, onions and mozzarella wrapped in a dough and slowly baked.

Hot and cold Italian entrees such as baked *ziti*, sausage lasagna, spaghetti, chicken Parmesan and eggplant Parmesan have a devout following. A beef lasagna was introduced this year. The beef is sautéed in onions, layered with tomato sauce, ricotta cheese and the lasagna noodles and topped with mozzarella. Pasta salads as well as a tossed and fruit salad can be ordered to go.

### VALENTINO'S

This Italian eatery received so many requests for recipes and samples of its menu offerings that it developed a takeout deli to be set up right on the premises. Most of the units already had a takeout area for pizza, so all that was involved was putting in a few deli cases and refrigerators. The first one went up in December 1986, and the early months of 1987 saw the concept to fruition. The results have been excellent.

Now, customers who did not call orders in beforehand, as well as those requesting items, have their pick of almost any of the dishes offered on the menu. And the list is extensive. Valentino's specializes in pizza, pastas with meat sauces and specialty Italian dishes. Its original crust is based on a very well-guarded recipe. A whole-wheat crust pizza, deep-dish and double-crust pie pizza with "the works" also are

Spaghetti, ravioli, fettuccine and *mostaccioli* are the four premier pastas and are accompanied by a variety of sauces including *bolognese*, meat sauce, marinara, seafood, *carbonara* and alfredo. Italian specialties such as lasagna, veal Parmesan, eggplant Parmesan and two kinds of calzones have a strong following. A baked primavera casserole, vegetables and rotini noodles in a cream sauce topped with mozzarella, is one of the most popular items.

Also featured are dessert pizzas which are literally the original pizza crust topped with fresh apples, peaches, blueberries or cherries. —*B. G.*

**Sbarro units are located in enclosed shopping malls and offer in-house or food court seating.**

# Chicken, Fish Round Out Standard Steakhouse Menus

## Steaks still sell; chicken a favorite; new fish offerings abound; and salad bar wars intensify.

The lightness trend continued in 1986 as most of the nation's steakhouse chains emphasized fish, chicken and sprawling salad bars. Although steaks still top the lists, most people do not order steaks every day, and need menu alternatives. Chicken and fish bring in the weight-conscious and female audiences hoping for low-priced, quality fare not as filling as beef. Salad bars, once limited to cold vegetables, now stretch yards long and include everything from potatoes to pasta, hot casseroles to desserts. Meanwhile in the barbecue segment, takeout was the ticket, with delivery waiting in the wings.

**PONDEROSA INC.**

The largest steakhouse chain in the nation, Ponderosa, continues to compete in the mainstream with enhancements to its salad bar, the addition of chicken and seafood entrees, and plans for several new sandwich items that pit Ponderosa against fast feeders for noon-hour business.

Following this mandate for fish and chicken menu additions, franchisees are allowed to select which fish they want to serve, according to regional tastes. Trout does well in the Midwest for instance, while salmon does well in the East.

Chicken is doing well all over, but to add regional flair, Ponderosa recently introduced three chicken sauces: teriyaki marinade, barbecue and Italian.

Salad bars at Ponderosa are "refreshed" at least twice a year with new additions pretty much the same chainwide. 1986 saw the addition of stuffing, gravy and chili. By May 1987, most Ponderosa salad bars will include a nacho bar complete with cheese, salsa, refried beans, nacho salad and more.

On the heels of the nacho bar introduction, Ponderosa is starting a 20-unit test of eight sandwich variations that have scored well in taste tests.

Beyond these plans for 1987, Ponderosa is adding some finger-food items and continues work with its breakfast buffet.

**GOLDEN CORRAL,**
**OH! BRIAN'S RIP ROARIN' RIBS**

Golden Corral is one steakhouse chain that places the focus on its 70-item super salad bar including everything from vegetables to potato toppings, casseroles to desserts. In addition, the chain has expanded its menu from steak and chicken to include some fish dishes.

Ripe for development is Investors Mgmt. Corp.'s Oh! Brian's Rip Roarin' Ribs chain. Food and beverage sales for the 13 units in 1986 totaled $9.6 million.

The company is in the process this year of doing major renovations. Three of the units have been temporarily closed for extensive remodeling, one new unit will be built incorporating the new design and by year-end 1988 the company hopes to build five more.

These and current menu changes are coming fast and furious since Ken Humphreys moved up to the presidency in January 1987.

Humphreys eliminated five items that were not selling; added a broiled halibut dish, barbecue burger, and chili; switched from charbroiled to fried; shrimp; and rearranged and condensed the menu.

**BONANZA**

Right in line with brighter, more upscale looks, USACafe's Bonanza restau-

**Fish and chicken are hot, but steaks, such as those served at Golden Corral, still top most lists as the No. 1 seller.**

**USACafes President Jeff Rogers with the Freshtastiks salad bar he points to as the "driving force behind Bonanza's turnaround."**

rants are serving lighter, more upscale menu items. And these, in combination with steak on a single platter, are the dishes selling best. Higher ticket, quality products such as broiled salmon, orange roughy, halibut fillets and a seafood trio platter advertised throughout 1986, upped check averages 25 cents.

But while some of the emphasis is upscale, Bonanza has not abandoned the Freshtastiks food bar that company President Jeff Rogers identifies as "the driving force behind the turnaround of the Bonanza chain." Freshtastiks started as a salad bar in 1976 and quickly grew to include hot vegetables, soup, breads, and desserts.

Freshtastiks is one of the quality deals Bonanza talks about in its current television advertising campaign featuring Monty Hall.

The $20 million campaign includes 11 30-second commercials to be run in 60 markets in the United States and Canada. One shows Monty holding a fast-food competitor's boxed salad. After giving his spiel on the benefits of Bonanza's Freshtastiks food bar, Monty quips: "So you can come to Bonanza for Freshtastiks or you can go for what's in the box."

### STUART ANDERSON'S

Stuart Anderson's menu development during 1986 mirrors the major management changes that kept the company in constant flux. For the first half of 1986, Stuart Anderson's was owned by Saga Corp. Believing that to stay in the steakhouse niche would not be profitable for the long term, Saga began

**Stuart Anderson's strategy for 1987? Back-to-basics.**

## LEADING STEAKHOUSE COMPANIES

1
**PONDEROSA (24)**
**Sales: $725MM**
**Units: 679**

2
**SIZZLER**
**Collins Foods Intl. (17)**
**Sales: $605MM**
**Units: 539**

3
**BONANZA**
**USACafes (42)**
**Sales: $480MM**
**Units: 571**

4
**WESTERN SIZZLIN' (44)**
**Sales: $454MM**
**Units: 642**

5
**GOLDEN CORRAL, OH! BRIAN's**
**Investors' Mgmt. Corp. (50) Sales: $342MM**
**Units: 503**

6
**STEAK AND ALE**
**Pillsbury (3)**
**Sales: $268MM**
**Units: 185**

7
**STUART ANDERSON'S**
**American Restaurant Group/Marriott (4)**
**Sales: $243MM**
**Units: 117**

8
**QUINCY'S**
**TW Services (8)**
**Sales: $193MM****
**Units: 218**

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# 400: STEAK & BBQ

**LEADING STEAKHOUSE COMPANIES**

9 **WESTERN STEER MOM 'N' POP'S INC. (103)**
**Sales: $171MM**
**Units: 185**

10 **YORK STEAKHOUSES**
**General Mills (18)**
**Sales: $135MM**
**Units: 113**

11 **MR. STEAK (143)**
**Sales: $111.1MM**
**Units: 175**

12 **RYAN'S FAMILY STEAKHOUSES (147)**
**Sales: $105MM**
**Units: 70**

13 **TONY ROMA'S**
**Roma Corp. (153)**
**Sales: $100MM****
**Units: 75**

14 **K-BOB'S STEAKHOUSES INC. (191)**
**Sales: $77MM**
**Units: 96**

15 **HAPPY STEAK INC. (204)**
**Sales: $70.9MM****
**Units: 102**

16 **SONNY'S REAL PIT BBQ (215)**
**Sales: $68MM**
**Units: 79**

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## Some steakhouses vary fish offerings according to regional tastes.

implementing a major repositioning strategy that would move Stuart Anderson's from a steakhouse concept to a varied-menu dinner house concept.

The plan was to have taken several years to fully implement, but money and time ran out in June when Stuart Anderson's was bought with the rest of the Saga restaurants by Marriott Corp. At this point the repositioning strategy Stuart Anderson's had begun to implement through tabletop, menu and advertising, stopped short. In its place, Stuart Anderson's complied with Marriott's demand for increased customer counts with a quickly implemented short-term strategy that was to last until year-end 1986.

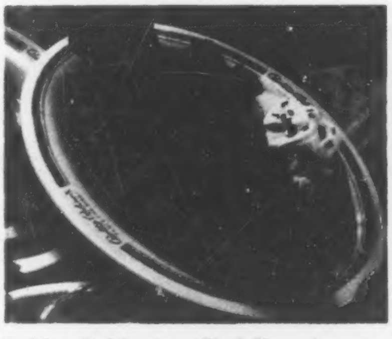
In 1987, Marriott sold Stuart Anderson's to the American Restaurant Group, a privately held company. Since that time, ARG Chief Executive Officer Ralph Roberts, also president of Stuart Anderson's, has been helping the chain to regroup and focus on a different strategy entirely.

"Roberts helped us to see that we needed to get back to basics," says Julia Stewart, Stuart Anderson's vice president of marketing, and research and development. "We're a steakhouse and we feel we do that best. Great product, great price value and great environment are key to our business. The last thing we want to do is walk away from the Western character that made us famous."

Therefore, the items added to the menu as part of Saga's repositioning strategy—grilled, homemade sausage, honey-lime chicken, pork chops—were dropped. In 1987, Stuart Anderson's is focusing on evolution—not revolution. As Stewart explains, "Freshening and contemporizing are much more descriptive of our planned menu and decor changes than the word restructuring."

### SIZZLER

Wrapping up an aggressive remodeling program that included implementation of brighter decor, Sizzler correspondingly revamped its menu to include lighter fare. Sizzler tested fresh fish for several years before incorporating it as a new menu segment nationwide in 1986. Individual managers decide which fresh fish offerings they will feature each day. Most serve up to five types, broiled and lightly seasoned.



**Bobby Rubino's will deliver its top-selling ribs starting this year.**

Totally new in 1986 was lemon herb chicken—a marinated boneless breast of chicken grilled fresh to order. Initially introduced and backed by a television campaign as a combination item served on a platter with shrimp, the lemon herb chicken is now going national and can be ordered separately, or with shrimp or steak.

Along with the chicken and fish emphasis, Sizzler invested much effort in doubling the size of its salad bar. Originally including roughly 40 items, the bar is now up to 80. Recent additions include more fresh fruits, a tostada bar and hot pasta bar.

### BOBBY RUBINO'S

One of the largest barbecue chains in the United States, Bobby Rubino's hopes to bring in additional business this year through a promotion called the Great Lunch Getaway featuring 19 lunches available for less than $4 each.

Rubino's did not add any new items to its dinner menu in 1986 but did add several lunch items: among them a bacon barbecue cheeseburger, Brie burger, mushroom cheeseburger and blue cheese burger.

Top sellers in 1986 were baby back ribs and chicken. For 1987 Rubino's is looking at some new deli special items,

# 400: STEAK & BBQ

## LEADING STEAKHOUSE COMPANIES

17 **BEEFSTEAK CHARLIE'S**
**Lifestyle Restaurants Inc. (249)**
**Sales: $55.9MM**
**Units: 51**

18 **SIRLOIN STOCKADE INTL. (321)**
**Sales: $40MM**
**Units: 60**

19 **BOBBY RUBINO'S PLACE FOR RIBS USA INC. (328)**
**Sales: $39MM****
**Units: 25**

20 **CASK AND CLEAVER**
**C&C Organization (368)**
**Sales: $25MM**
**Units: 25**

21 **FIFTH QUARTER**
**Shoney's (16)**
**Sales: $21MM**
**Units: 10**

22 **LORD CHARLEY'S**
**C&C Organization (368)**
**Sales: $2.5MM**
**Units: 2**

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## Barbecue segment reports increases in takeout; delivery a possibility.

planning to add more salads and is adding delivery service.

The chains takeout segment is doing well, comprising 20% of the business by first quarter 1987. Rubino's also sells "Grill-ready Ribs,"—frozen, seasoned, foil-wrapped ribs sold by the pound for customers to grill at home. Introduced in 1986, the grill-ready ribs are doing well and Rubino's hopes to promote them more in 1987.

### MR. STEAK

If Mr. Steak's prototype Mr. Steak's Grill proves itself, the rest of the Mr. Steak chain may evolve in the same direction. In addition to the Grill's updated decor, which the company says is "skewed a bit more female," the grill features exhibition bread baking, prime-rib carving and salad preparation in the front of the house and a menu that lists more upscale steak offerings, seafood and chicken platters.

Mr. Steak's Grill also offers a new twist on the serve-yourself salad: family-style salad. A multiple-serving tossed salad is prepared and brought to the table by a waiter along with single-serve bowls. This allows family members to serve themselves without getting up from the table. Thus far, customers have responded well to the idea.

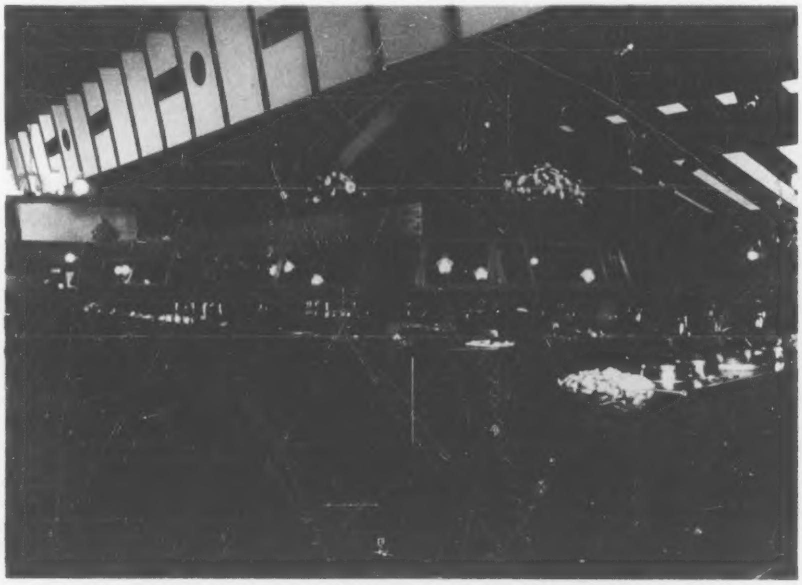
### RYAN'S FAMILY STEAKHOUSES

With revenues that increased 92% in 1986 over the previous year, net earnings that increased 99% and and an average unit volume increase of 39%, Ryan's is a darling, both of the industry and Wall Street.

Much of the company's success can be attributed to its concern with quality. According to company President T. Mark McCall, this quality emphasis justifies company food costs that run 44% to 47%. McCall adds that Ryan's doesn't advertise, choosing to invest potential ad dollars into better quality food.

The company added its MegaBar during the fourth quarter 1985 and built on it in 1986. This super salad bar includes a soup bar, ice cream bar, hot meats and vegetables, fresh fruits, cheeses and more. —***Monica Kass***

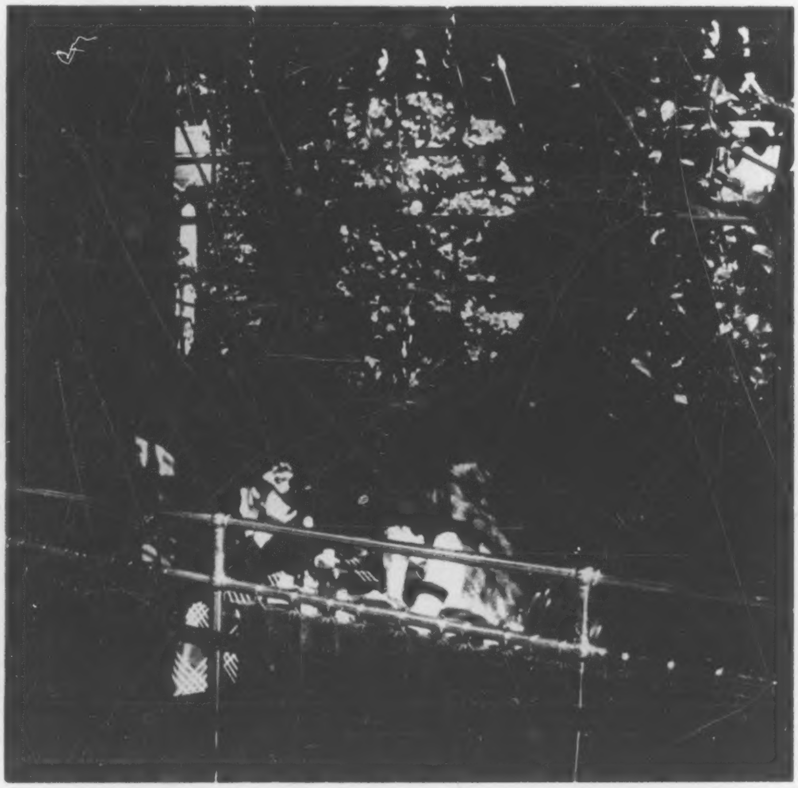
**With phenomenal sales growth in 1986, Ryan's Family Steakhouse is a Wall Street darling. Concern with quality adds up to food costs of 44% to 47%.**



# 400: THEME DINNER

## A New Theme: Chains Get Serious about Being Casual

### Top theme dinner houses change chain image for new look: customers first, systems second.



**New definition: Bennigan's, once known as a restaurant-bar, is redefining itself as a restaurant with a new menu design and increased guest focus.**

Traditionally, the lion's share of the full-service market has been dominated by independent restaurateurs. Technomic Consultants, Chicago, estimates that in 1986 independents accounted for 77.3% of the full-service market sales, and chains for 22.7%.

But in 1987, in the casual/theme segment, it is getting harder to tell the chains and independents apart. There is more to this new look than simple upscaling, as the leading chain theme dinner houses court customers in many of the same ways previously the private domain of independents: keeping menus current with consumer eating trends; creating and promoting signature menu items; addressing the current health-and-fitness trend on menus and in food preparation; serving varietal wines by the glass; putting customers first, systems second; and edging into breakfast and brunch.

Dinner house chain leaders acknowledge that one of the biggest drawbacks to chain operations has been inflexible systems that resulted in slow new-product development and implementation, as well as a tendency to expect the customer to fit the system. Chains in this segment are now putting that cart back behind the horse by hiring people who like people, training staff in people skills and building flexibility into the systems. Progressive theme dinner houses make it possible for units to customize preparation of menu items, substitute side dishes and some will even prepare dishes not on the menu.

Among this year's theme dinner house leaders are well-established chains (such as Bennigan's) that have thrived by adapting and updating. There are the fast-growing young chains (The Olive Garden) that began life under this new marketing philosophy. Several creative chains now specializing in diversified concepts from unit to unit (Lettuce Entertain You, Levy Organization and Big 4) started corporate life as independents. All seem to be banking heavily on the new non-chain image to enhance their perceived value in customers' minds. If their marketing strategies are on target, it also will increase their collective market share. The following profiles of selected leading chains highlight those strategies.

**BENNIGAN'S**

"Guest focus has been a prominent issue for the last couple of years as Bennigan's repositions itself from a bar-restaurant to a restaurant—and we're going to emphasize it even more," says Scott W. Burcham, vice president of marketing. One of the primary ways the successful 12-year-old chain emphasizes guest focus is through service.

"Bennigan's pays a lot of attention to trends. We made Cajun national two years ago. We put it on the menu, then we advertised and merchandised it. We are careful, however, to distinguish between real trends and flash-in-the-pans. We do a lot of research, a lot of reading and a lot of eating out."

Bennigan's has just introduced a newly designed menu that helps define its new image. It is sleek, contemporary, and illustrated with dramatic full-color food photography, an abrupt departure from its former nostalgic typographic menu design.

Burcham calls Bennigan's menu mix "eclectic. We try to give guests a reasonable variety with reasonable depth." New 1987 entrees include marinated, charbroiled Sesame Pork Medallions

**Change of heart? No, Chili's didn't lose a burger in its switch to casual dining, just gained fajitas, margaritas, etc.**

($7.95); Sweet and Sour Pork ($7.25); and Sweet and Sour Sesame Chicken ($6.95). New appetizers this year include Oriental Shrimp and Crab Toast ($4.75), and Spring Rolls ($3.95). The best-selling appetizer is still Fried Cheese ($3.75), followed closely by Ultimate Nachos and Potato Skins.

Bennigan's can implement menu changes quickly, about four months from idea to implementation, and this month will launch a first: an eight-weeks-only entree offering, Caribbean Shrimp ($7.95).

### CHILI'S

Chili's, which last year changed niches, from gourmet hamburger to casual dining, still offers a dozen burgers on the menu. The burgers range from the plain-and-simple Oldtimer ($3.30) through Verde with guacamole ($3.85) to the Sierra Platter with BBQ beans, sauce and fixings ($4.35).

Chili's has 1987 menu items in test, but is playing new product development close to the vest. New Chili's President Ron McDougall does say that new menu items in 1986 were Chicken Salad, Monterey Chicken Platter, Baby Back Ribs and some dessert items. Also, Chili's is testing brunch.

Chili's casual-dining restaurants have a full bar and offer a few varietal wines by the bottle and glass. The most expensive menu item is Fajitas for Two ($12.95). The new efficient building design will make regular appearances this year.

### BENIHANA

In 1986, Benihana was chosen the No. 2 chain restaurant in America in the annual National Family Opinion Poll—just one step down from the No. 1 position it held in 1985. And in 1987, the successful chain dinner house with an $18.82 check average plans significant menu expansion.

The following items, grilled *à la japonais*, will be added in 1987 to the steak, chicken and seafood menu fare: Double Hibachi Steak, Filet Mignon Double, Hibachi Salmon, Veal Tenders, Skewered Scallops, Shrimp and Calimari Tempura, Stuffed Mushrooms, Smoked Salmon, Green Mussel and Beef Tartari and Tempura Bananas.

Senior Vice President Glen Simoes cites Hibachi Chicken as the hottest-selling menu item as of February 1987, and a good-selling lunch menu item added in 1986 as Calimari Steak. Among menu items under test are: abalone, duck, venison, pork and lamb.

**On the Grill: Benihana's plans sizzling menu expansion in 1987.**

## LEADING THEME DINNER HOUSES

1 **BENNIGAN'S**
**Pillsbury Co. Restaurant Group (3)**
**Sales: $402.8MM***
**Units: 190**

2 **TGI FRIDAY'S**
**Carlson Cos. (26)**
**Sales: $348.5MM**
**Units: 125**

3 **CHILI'S INC. (100)**
**Sales: $176MM**
**Units: 102**

4 **HOULIHAN'S OLD PLACE**
**W.R. Grace Restaurant Group (15)**
**Sales: $170MM**
**Units: 64**

5 **BENIHANA OF TOKYO INC./BENIHANA NATIONAL CORP. (193)**
**Sales: $75MM**
**Units: 46**

6 **CRACKER BARREL OLD COUNTRY STORE INC. (213)**
**Sales: $68MM**
**Units: 47**

7 **MAGIC PAN (231)**
**Sales: $60MM**
**Units: 64**

8 **LETTUCE ENTERTAIN YOU (235)**
**Sales: $60 MM****
**Units: 32**

9 **PRUFROCK RESTAURANTS INC. (248)**
**Sales: $56MM***
**Units: 48**

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# 400: THEME DINNER

### LEADING THEME DINNER HOUSES

10 **BOBBY MCGEE'S USA INC.**
**(253)**
**Sales: $55MM****
**Units: 22**

11 **VELVET TURTLE**
**Marriott Corp. (4)**
**Sales: $50MM**
**Units: 21**

12 **PALM MANAGEMENT CO.**
**(275)**
**Sales: $49.5MM****
**Units: 11**

13 **THE OLIVE GARDEN RESTAURANT**
**General Mills Restaurant Group Inc. (18)**
**Sales: $46MM***
**Units: 31**

14 **HOUSTON'S RESTAURANTS**
**(310)**
**Sales: $42MM***
**Units: 15**

15 **THE LEVY ORGANIZATION**
**(332)**
**Sales: $38MM**
**Units: 27**

16 **CHARLIE BROWN'S**
**Restaurant Associates Industries Inc. (94)**
**Sales: $35.2MM**
**Units: 25**

17 **BIG 4 RESTAURANTS INC.**
**(382)**
**Sales: $30MM****
**Units: 14**

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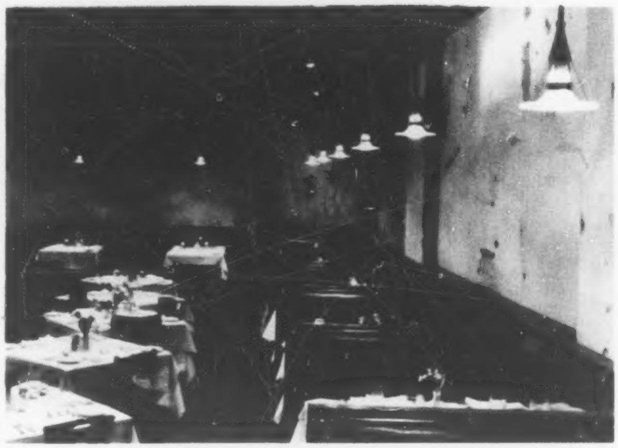
## Two concepts of success: new American sophisticate and old country cooking.



**Excuse us, but can this be Scoozi—one of Rich Melman's, latest, hottest restaurants for the new American sophisticate?**

### LETTUCE ENTERTAIN YOU

Rich Melman, dynamic president of Chicago-based Lettuce Entertain You Ent., has more than 40 restaurants to his credit, and he still considers himself an independent, not a chain.

Concepts with more than one unit include Ed Debevic's, a diner; Shaw's Crab House, seafood; Rupert's, a rib and chop house; and Gino's, offspring of a famous Chicago pizzeria. One of Melman's recent contributions to the welfare of the new American sophisticate was Cafe Ba-ba-reeba!—Chicago's first Spanish tapas bar. Another was Scoozi—an Italian regional menu suitable for grazing or full-scale dining set in a 15th-century artist's workshop. Others include McMahon's—a hamburgers-and-potatoes partnership with Chicago Bears Football star Jim McMahon; The Everest Room, a four-star, now-public French restaurant opened originally for private LaSalle Club.

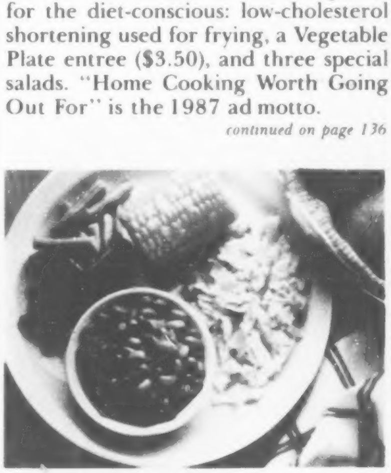
The most recent Lettuce openings go from one extreme to the other: the 50-year-old Wrigley Building Restaurant, a Chicago classic—and another Ed DeBevic's in Beverly Hills, Calif. The big news for 1987 is the addition of a management division, and expansion outside the Chicago area.

### PRUFROCK RESTAURANTS INC.

All concepts other than Black-eyed Pea and Dixie House were spun off or sold prior to the purchase of Prufrock Restaurants Inc. by London-based Unigate in late '86. The company plans to continue cooking home-style American fare. Hottest-selling menu item is Chicken Fried Steak ($5.25). Other popular entrees include Mom's Meat Loaf ($4.75), Juicy Pot Roast ($5.75), skin-on Mashed Potatoes (95 cents).

New menu items in 1986 included Baked Whitefish ($4.95), Apple Crisp ($1.75) and daily entree specials. Beef Tips and broiled items will be added in 1987. The menu lists several options for the diet-conscious: low-cholesterol shortening used for frying, a Vegetable Plate entree ($3.50), and three special salads. "Home Cooking Worth Going Out For" is the 1987 ad motto.

*continued on page 136*



**Home is where there's hearty: at the Black-eyed Pea.**

# 400: THEME DINNER

## MEET MARK AND LARRY

**The Chicago-based Levy brothers are a prime example of a highly independent chain: They started as independents; their restaurants carry the hallmark ambiance and taste of independents.**

**From their first foodservice venture in 1976—D.B. Kaplan's, a delicatessan-style restaurant in Chicago's Water Tower Place—The Levy Organization has built a foodservice empire hard to match for diversity. Levy restaurants range from the fine-dining Spiaggia in the luxury high-rise One Magnificent Mile, to seven restaurants in Sears Tower in 70,000 square feet of space, and 11 concepts in the State of Illinois Building.**

**Levy caters food at the Chicago White Sox Park—35 18-seat suites, and in seven concepts at the Ravinia Music Festival in Highland Park, Ill. The Levys also created Chestnut Street Grill in 1979—a fine-dining seafood restaurant that has, according to the Levys, the first open kitchen in Chicago. Theirs also is Randall's Ribhouse, a Chicago favorite since 1982 and two Dos Hermanos Mexican restaurants. There's Rosie's Popcorn—carryout, and the Great Midwestern Ice Cream Co. Did we forget to mention Pittsburgh? The Levys run The Carlton, Eadie's Kitchen, Eadie's Market. And that's not all: L'Asie, a pan-Asian restaurant is in the offing. So are a country Italian inn with a garden and a '90s diner.**

## Full speed ahead! General Mills' The Olive Garden opens throttle for 1987 expansion.

***Abbondanza!*** **at The Olive Garden Restaurant, as General Mills' fastest-growing concept displays its personable staff and signature Italian fare.**

### THE OLIVE GARDEN

The Olive Garden, now in a period of rapid expansion, got off to a slow, careful start, according to Bill Lombardo, marketing director. The idea was two years in the hatching, one year in the testing, and only after the first Orlando unit (opened in December 1982) had been refined by customer feedback was unit No. 2 opened. By mid-1985 only 4 units were opened, and the mid-priced, full-service concept moved cautiously into a second market. But by June 1987, there were 54 units in 12 states, and plans to open one unit per week. The target is 200 units by 1991.

He adds, "We have priced and portioned food so this can be an everyday dining experience." Full-meal entrees range from $4.95 for Spaghetti, to $10.95 for Shrimp Scampi and $11.50 for Steak Tuscany. The regular menu, which lists 11 varietal wines by the glass or bottle—in addition to house wines and Italian wine coolers—is augmented by daily specials. And, says Lombardo, "The Olive Garden staff is happy to provide menu variations, food preparation variations—and we'll even make off-menu items within reason if we have the food in the kitchen."

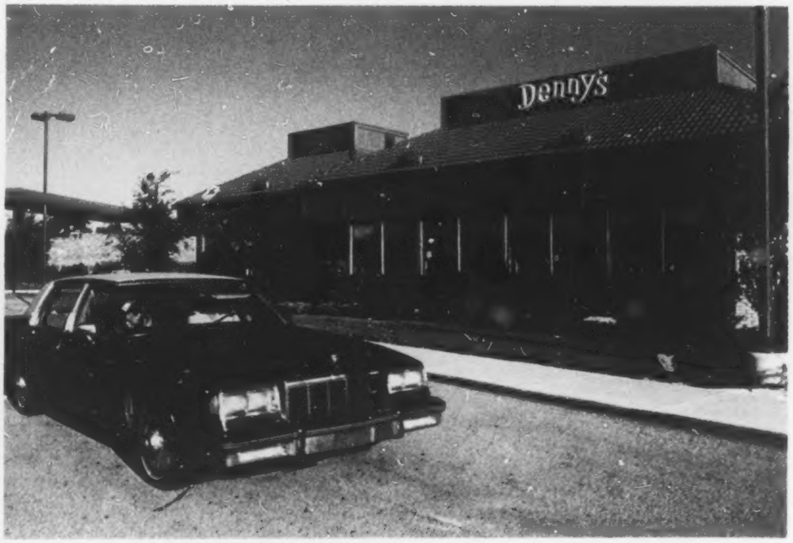
### THE LEVY ORGANIZATION

One of the busiest Levy dinner houses, City Tavern, does a brisk breakfast, lunch and carryout business. Located in The Loop in Chicago's financial district, City Tavern has a customer profile that includes corporate executives, office workers and the before- and after-theater crowd.

The extensive breakfast menu covers all possible breakfast tastes, ranging from light and healthful items such as homemade fruit-topped yogurt ($1.95) to the heartier Country Combo, which consists of pancakes, eggs, bacon and hash browns ($3.95). The Eggsecutive Breakfast ($3.50) appeals to one type of customer, the Steak & Eggs ($6.95) to another (See "Meet Mark and Larry," this page). —*Nancy Ross Ryan*

**Breakfast at the Tavern: City Tavern, Chicago, does a brisk one.**

# 400: FAMILY DINING



Denny's has 1,176 units open nationwide.

## Food Fight: Chains Compete for Dining Dollars

### It's a war, all right, but operators are armed with freshly made food, fast service and clever marketing.

Having enjoyed steady growth during the last few years, operators in the family dining segment were disappointed by flat sales in 1986. Competition for dining dollars was fierce; it came from other operators in the same segment, from fast-food chains and from local independent restaurants. "Competition is definitely the name of the game," says Basil Cox, vice president of marketing for Eat'n Park Restaurants.

The competition has been felt most profoundly at breakfast as fast-food chains continue to add to their breakfast offerings, taking bigger and bigger bites out of a meal that has long been a high-profit center for the family dining restaurant. Additionally, growth in the breakfast segment, which was one of the most explosive in the past few years, slowed considerably in 1986.

How are operators in the family dining segment fighting back? Tactics vary. Some, like Country Kitchens, have dedicated themselves to perfecting the product and presentation that has worked for them in past years. "We're looking at what we've done well before and making that our future course," says Allan Post, Country Kitchen's senior vice president of marketing. "Your best bet for survival is to know your customers, and deliver to them more of what you do best."

Other chains have decided to expand their customer bases by menu expansion and diversification, and with promotions targeted at special groups such as senior citizens, families with young children, teen-agers or hotel guests. Tie-ins with hotel chains—specifically the limited-service hotels—have proven extremely successful for family-dining restaurants.

In 1986, restaurants in this segment seemed particularly attentive to the trends traditionally associated with more upscale restaurants. Certain regional cuisines—such as Cajun and Creole—appeared on menus and were well-accepted. Ethnic cuisines—such as Italian and Mexican—are becoming more and more prevalent; cold pasta salads and fajitas were both big sellers. Minnesota-based Happy Chef added a number of mesquite-grilled entrees to its menus in 1986. And most operators have responded enthusiastically to their customers' wishes for dishes that are light and healthful. Menus are showing more fresh fruits, vegetables and seafood, more broiling and stir-frying of entrees. Salads and salad bars continue to be upgraded.

Whether it's a beautiful salad or a plate of meat loaf and mashed potatoes, the family-dining customer is aware and appreciative of food that is made to order, and the phrases "homemade," "fresh," "freshly made" and "fresh-baked" abound. "There's definitely more cooking in-house," says Roseanne Bye, Denny's vice president of research and development. "Things are being made to order."

Industry analysts are predicting that 1987 will be a better year for family dining, and operators are optimistic. "All signs are pointing in our favor," Bye says. "The fast-feeders are diversifying, but they still can't offer the variety and quality that the family restaurant can."

#### DENNY'S

Denny's rolled out a new dessert program featuring upscaled, old-fashioned soda fountain-style recipes: shakes, sodas, root beer floats, banana splits, sundaes and strawberry shortcake made with pound cake. "We took a boring dessert menu and jazzed it up," says Denny's Roseanne Bye. "Customers who previously stopped in for just coffee are now ordering a dessert, too." Other menu changes in 1986 included the upgrading of salads, and new pairings of salads with other dishes: chili and salad, soup and salad and so on.

**Burger and fries á la Bakers Square. The Taste of Baker's Square concept is VICORP's newest hit.**

&RESTAURANTS
INSTITUTIONS

**In 1986, Shoney's introduced bite-sized shrimp, turkey club croissants and cheesecake.**

In July 1987, Denny's introduced a number of entrees called "Delightful." Dishes include Lemon Chicken Breast, Seafood Pasta Primavera, an open-faced seafood sandwich and a fresh-fruit platter.

BIG BOY FAMILY RESTAURANTS

Big Boy continues to enjoy strong sales of its all-you-can eat Breakfast Bar. The new Taco Bar, introduced in units on both the East and West coasts, has also met with strong customer approval. In franchised properties, the four International Chicken Dinners—Oriental, Italian, Polynesian and American—are selling very well. Other chicken items —such as marinated and broiled boneless breast entrees—continue to increase in popularity, and the same goes for Big Boy salads, such as the Chefs Salad and Spinach Salad. "And the Big Boy hamburger," says Director of Marketing Vince Webb, "will always be a customer favorite."

SHONEY'S

In the past year, Shoney's added to its menus bite-sized shrimp, Reuben and turkey-club croissant sandwiches, beef tips, an eight-ounce ribeye steak, grilled and fried flounder, chicken teriyaki, breakfast bars and cheesecake.

The breakfast bars, offered every morning, hold scrambled eggs, bacon, sausage patties and links, hash browns, biscuits and gravy, blueberry muffins, fruit salad and fresh pineapple, cantaloupe and other seasonal fruit. The all-you-can-eat bar costs $2.99 Monday through Friday, $3.99 on weekends.

Promotions held during 1986 centered on standard menu items. For instance, Hawaiian-style chicken made with pineapples and green peppers provided the impetus for the Hawaiian

## LEADERS IN FAMILY DINING

1
**DENNY'S RESTAURANTS**
**Denny's Inc. (13)**
**Sales: $1,134.2**
**Units: 1,176**

2
**BIG BOY FAMILY RESTAURANTS**
**Marriott Corp. (4)**
**Sales: $1,002.1***
**Units: 911**

3
**SHONEY'S**
**Shoney's Inc. (16)**
**Sales: $644.5MM**
**Units: 542**

4
**VILLAGE INN, BAKERS SQUARE**
**Vicorp Restaurants (40)**
**Sales: $502.8MM**
**Units: 445**

5
**PERKINS FAMILY RESTAURANTS**
**Holiday Corp. (11)**
**Sales: $315MM**
**Units: 328**

6
**INTERNATIONAL HOUSE OF PANCAKES**
**IHOP Corp. (72)**
**Sales: $264.1MM**
**Units: 450**

7
**BOB EVANS FARMS (87)**
**Sales: $220MM**
**Units: 175**

8
**MARIE CALLENDER PIE SHOPS**
**Ramada (27)**
**Sales: $204MM**
**Units: 128**

9
**COUNTRY KITCHEN INTL. INC.**
**Carlson Cos. Inc. (26)**
**Sales: $161.4MM**
**Units: 251**

Note Numbers in parentheses indicate companies' "400" ranking Sales figures are for the 1986 calendar or fiscal year, unit figures represent the number of units open as of 1/1/87. *R&I estimate, **company est., †commercial equivalent ©1987 *Restaurants & Institutions*, a Cahners publication

# 400: FAMILY DINING

## LEADERS IN FAMILY DINING

10 **KETTLE RESTAURANTS (139)**
**Sales: $114.8MM**
**Units: 195**

11 **J.B.'S RESTAURANTS INC. (145)**
**Sales: $107.2MM**
**Units: 121**

12 **ELBY'S RESTAURANTS INC. (194)**
**Sales: $75MM**
**Units: 74**

13 **BILL KNAPP'S MICHIGAN INC. (211)**
**Sales: $69.6MM***
**Units: 62***

14 **EAT'N PARK RESTAURANTS INC. (246)**
**Sales: $56MM**
**Units: 45**

15 **ELMER'S PANCAKE & STEAK HOUSE INC. (335)**
**Sales: $38MM****
**Units: 31**

16 **FRONTIER ENT. (338)**
**Sales: $37MM**
**Units: 28**

17 **HAPPY CHEF RESTAURANTS (360)**
**Sales: $32.5MM**
**Units: 51**

18 **G.D. RITZY'S (386)**
**Sales: $29.9**
**Units: 58**

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## Bob Evans is experimenting with seasonal menu changes and regional menu items.

Chicken Giveaway, in which five families of four won trips to Hawaii.

Shoney's also has added a games-and-comics book to the children's menu and redesigned the senior-citizens' menu.

### INTERNATIONAL HOUSE OF PANCAKES

At IHOP, the "Rooty-Tooty Fresh & Fruity Breakfast" was the big promotion of the year. (It includes two eggs, two strips of bacon, two sausages and a choice of two special pancakes: strawberry, blueberry, peach or cinnamon-apple.) Other breakfast promotions included the Passport (two eggs, two strips of bacon, two sausages and two pancakes: French, German, Swedish or buttermilk.)

IHOP also introduced a number of sandwiches this year: The Parmesan-Grilled Beef 'N' Cheddar, Classic Philly Cheesesteak, Super Stack Sandwich, Big Cheese, French Dip and the Hamburger Club Sandwich. Seafood Omelets are also new. The company also introduced four new salads including the Chefs Salad International and the Chicken or Beef Taco Salad.

In 1987, IHOP plans to add one breakfast item, two to four lunch items and one dinner item.

### BOB EVANS FARMS

Improving food quality and service are the goals at Bob Evans. Like other family restaurants, the company strives to attract families. Saturday and Sunday breakfasts draw big crowds of families; not surprising, since the chain got its start with breakfasts. And the old standard, sausage and eggs, is the company's most popular menu item in the mornings.

Since Bob Evans restaurants are open all day, lunch and dinner warrant some attention. Several slow-selling items were taken off the menu to make room for newcomers, which included taco salad, patty melts, broccoli soup, spaghetti with meat sauce, turkey and bacon club sandwiches, oatmeal and peanut butter pie.

To increase market share, the 175-unit chain is experimenting with seasonal menu changes, and regional menus in Texas and the mid-South.

### ELMER'S PANCAKE & STEAK HOUSE

In an attempt to better serve the 24- to 39-year old market, Elmer's has taken an overall approach of updating and upscaling. Says Chief Operating Officer John McDaniel: "We're enhancing our menus, adding new dishes—like

*continued on page 162*

Bob Evans now has 175 units.

# 400: FAMILY DINING

### DISHES THAT SELL

The following are the current best-selling menu items at some popular family-dining restaurants.
**Big Boy:** Hamburgers, salads, chicken dinners, boneless chicken entrees, Breakfast Bar, Taco Bar
**Bob Evans Farms:** Eggs and sausage at breakfast; Boneless Barbecued Ribs at dinner
**Country Kitchen:** Breakfast skillets and Calico Bean Soup
**Denny's:** The Grand Slam Breakfast (two eggs, two bacon strips, two sausage links, two pancakes); the Shrimp and Steak Dinner (a six-ounce sirloin with 12 deep-fried shrimp); and the Denny's Combo (hamburger, fries and choice of soup or salad)
**Eat'n Park:** The Breakfast Smile (two eggs, three bacon or sausage, hash browns or fries); salad bar; Super Burger; charbroiled chicken breast; Steak and Cheese Sandwich; and baked scrod
**Elby's Restaurants:** Seafood, at both lunch and dinner
**Elmer's Pancake & Steak House:** At breakfast, Elmer's Favorite Omelet (filled with ham, Swiss cheese and tomatoes, with hollandaise and a choice of hash browns and toast, or pancakes); at lunch, the Deluxe Cheeseburger; at dinner, filet mignon and prime rib
**G.D. Ritzy's:** Hamburgers
**Happy Chef:** The All-American Breakfast (pancakes, eggs, hash browns and sausage); and homemade vegetable beef soup
**J.B.'s Restaurants:** The Big Boy Hamburger
**Kettle Restaurants:** Coffee
**Marie Callender Pie Shops:** Chicken and turkey pot pies; meat loaf sandwich; and apple pie
**Perkins:** Summer salads; pancakes; omelets; coffee
**Shoney's:** Breakfast bar and salad bar

## "Consumers are definitely eating lighter today," says Steve Pettise of IHOP.

sautéed scallops and prawns—and upscaling others. We're also upgrading the decor in many units. We've found that our customers want high-quality American fare, and we're giving it to them."

### COUNTRY KITCHENS

Country Kitchens added a number of new menu items in 1986: Calico Bean Soup (already one of the most popular items), the Hungry Man's Breakfast (three eggs, hash browns, a five-ounce sirloin, four slices of toast) and the Chicken Supreme (a lightly grilled boneless breast served open-face with fresh vegetables). The most successful dessert introduction has been the Country Upside Down Cobbler; sales have been so strong that a third fruit flavor—blueberry—is about to be added to the existing choices of apple and cherry. A recently introduced line of light desserts has not sold well and will soon be dropped from menus. Allan Post, senior vice president of marketing, explains: "We found that our customers really want grease and gravy—they don't want light desserts. If they're going to splurge, they're going to go whole hog."

An extensive line of hot bread items—rolls, biscuits, muffins and breads—is currently being test-marketed. "We want to deliver the true country image of bread," says Post, "and not just buttermilk biscuits. We want people to walk in and smell bread baking. That's very important in a country restaurant." And in keeping with the country image, Country Kitchens is planning to add some new "country favorites"—such as pot roast and barbecued ribs—to the dinner menu. *—Julie Mautner*

**Country Kitchen has introduced an extensive line of hot, fresh-baked bread items.**

# 400: CAFETERIAS

## A Seasoned Segment Takes a Fresh Approach

### Cafeterias are mixing new menu concepts and designs with old-fashioned know-how.

"Economy" and "variety" are the two words that best describe cafeteria dining. And those two qualities bring customers back again and again.

Cafeterias have their stronghold in the South, where there is a heavy concentration of older citizens. These customers give a great deal of business to cafeterias, where they can get a well-rounded meal for an average of $4.50.

Cafeterias cater to this clientele with foods that are not highly seasoned, as well as foods low in sodium, cholesterol and sugar. But they also attract families and younger people with a menu that can run from 75 to 125 items each day.

Recent additions to cafeteria menus look like those of a casual/theme dining menu: chicken teriyaki, stir-fried vegetables, rice salads, and more.

Self-service bars also are being integrated into cafeteria dining rooms. Popular self-service ice cream bars offer a choice of 12 toppings. A soup-and-salad bar gives diners a choice of nine rice salads.

The only obstacle restricting the growth of cafeterias seems to be an inability to break out of the Sun Belt and succeed in other parts of the country. Cafeteria companies hope to overcome this problem gradually by acquainting non-Southerners with the advantages of cafeteria dining. In addition, the graying of America may eventually boost cafeteria sales.

This phenomenon is playing right into the hands of cafeterias, according to Richard McGeouch, senior vice president of Morrison's Inc. "Cafeteria food is not as highly seasoned as food served in other types of restaurants and the cost is less." Check averages in the industry average $4.75.

McGeouch continues, "As time goes on, the cafeteria will become more popular. The dining rooms are as fine as you would find anywhere. Frankly, with the rat race and people opening restaurants on every street corner, cafeterias will be the great survivors."

**MORRISON'S CAFETERIAS**

As part of a diverse-concept foodservice company, Morrison's Cafeterias can borrow from expertise used in sister operations such as Ruby Tuesdays, Silver Spoon Cafes and L&N Seafood Grills.

All but two cafeterias have added open grills on the line, which adds a note of excitement to the dining concept. "A cafeteria traditionally has just been a rail line," says Richard McGeouch, senior vice president of Morrison's Inc. "Now we have a glass-enclosed grill, with the chef fixing chicken teriyaki (borrowed from Ruby Tuesdays' menu), seafood and other items. We are finding about 20% to 22% of customers are buying one of those items from the grill."

At the self-service sundae bar, customers can choose from 10 to 12 toppings to create their own signature items, for only 89 cents.

The fried shrimp is a popular item for people in the 20-to-40 year age group. Older clientele prefer broiled seafood. With its varied menu, Morrison's also does a good business with families, who enjoy a per-person check average of $4.56.

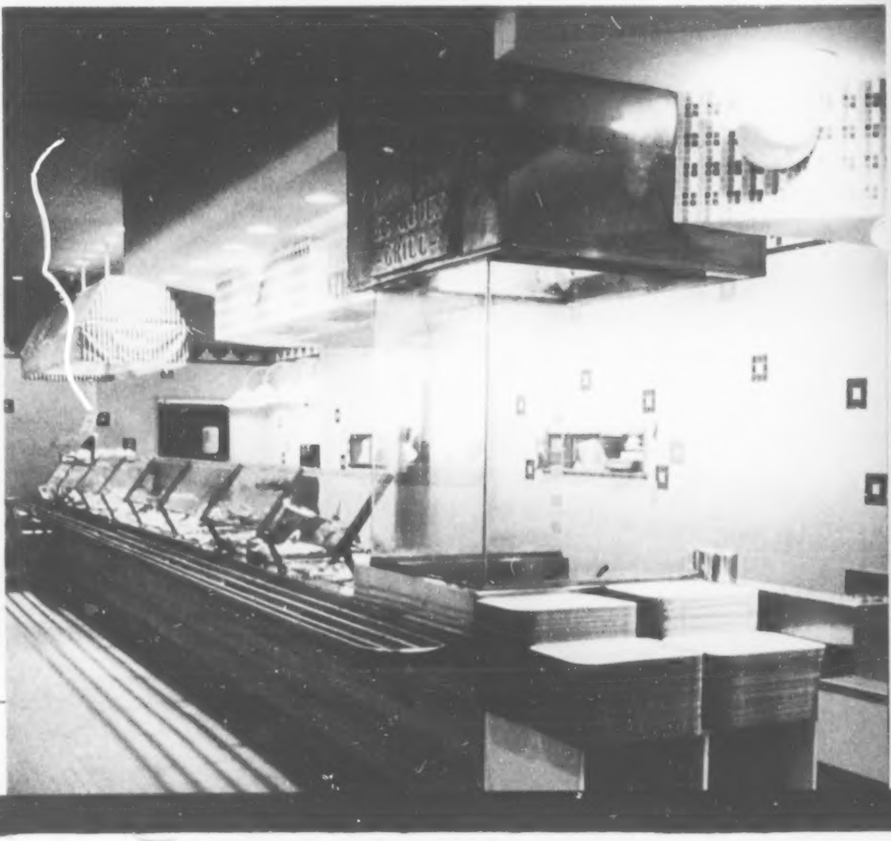
The cafeterias are undergoing major remodeling to give a new image to cafeteria dining. Everything is new, from the carpeting to the lighting. Thirty-five units were completed last fiscal year, with another to be completed this year.

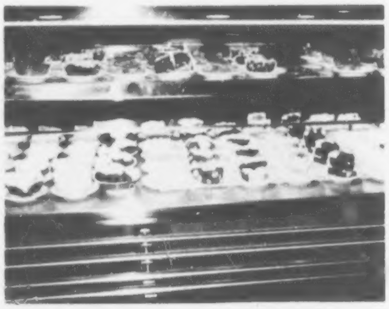
To help ease customers through the remodeling (the units do not shut down), Morrison's is holding a number of promotions, including giveaways of a television set and video cassette recorder. There is also a Manager's Day, when all customers leaving the restaurant are given a piece of cake by the manager to take home.

**LUBY'S CAFETERIAS INC.**

Desserts at Luby's Cafeterias account for about 6% of sales. "More important than that," says Vernon Schrader, vice president of marketing, "is the fact that we feel there is value in the way we merchandise them."

With the layout of the cafeteria, des-





Luby's menu features from 22 to 25 dessert selections.

serts are the first thing seen, although the last selection made. All of the desserts are made on premises, from scratch, without any preservatives. "The impression created by these desserts is that this is one heck of a food place," says Shrader.

"This is our concept all the way up and down the line," explains Schrader. "Foods and vegetables are made in small batches to maintain freshness."

Luby's management is extremely optimistic about the future. "There will always be a market for value, variety and nutritious food," Schrader concludes.

### S & S CAFETERIAS

All foods prepared at S & S Cafeterias are prepared fresh every day. The menu includes breads, rice salads, casseroles, and other entrees and desserts.

The light and healthful trend continues, and S & S's contribution is The Lean Line, currently being tested. It consists of low-cholesterol, low-sodium, low-sugar, good-for-you dishes. Lean Line items include chicken teriyaki, stir-fried chicken with Chinese vegetables, stir-fried pepper steak and shrimp Creole on rice.

The Great American Favorite, a special available throughout the day, is a favorite lunch-time dish for office workers. For $2.99, they get a choice of four entrees (which change each day), a choice of any two vegetables, and bread with butter.

A serve-yourself soup and salad bar is also being tested. Like everything else, the salads are made from scratch. Chicken Salad with Amaretto is a house specialty.

Quickness with quality is what S & S is striving for in the future. To aid in speed of service, the service line area has been enlarged to accommodate the office worker who needs to get back to work in 45 minutes.

***—Kathleen Marshall***

**Upgrades: Morrison's Cafeterias (l.) are undergoing renovation. Previously thought of as all stainless steel, dining rooms are becoming warmer, more personable. At S & S cafeterias (r.), the emphasis is on fresh.**

## LEADING CAFETERIA CHAINS

1 MORRISON'S CAFETERIAS
**Morrison Inc. (32)**
**Sales: $291MM**
**Units: 153**

2 PICCADILLY CAFETERIAS INC. **(83)**
**Sales: $225MM****
**Units: 111**

3 LUBY'S CAFETERIAS INC. **(90)**
**Sales: $215.1MM**
**Units: 94**

4 WYATT CAFETERIAS INC. **(96)**
**Sales: $195MM**
**Units: 120**

5 INTERNATIONAL KING'S TABLE INC. **(168)**
**Sales: $93MM**
**Units: 81**

6 K&W CAFETERIAS INC. **(286)**
**Sales: $45.3MM**
**Units: 19**

7 MCL CAFETERIAS **(309)**
**Sales: $42MM**
**Units: 27**

8 S & S CAFETERIAS
**Smith & Sons Foods Inc. (302)**
**Sales: N/A**
**Units: 19**

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# 400: CONVENIENCE

## Time Is on Their Side

### Retail and convenience stores offer timely food products created to buy customers more time.

Comparing convenience stores and retail foodservice units is almost like comparing apples to oranges. The two attract completely different audiences, but they do have one common bond: Both provide services and food to help customers save time.

For continued success, convenience stores "need to recruit better people and retain them longer," according to Stephen Schwitalla, senior vice-president of Circle K Corp.

Another major issue is the possibility of more stringent legislation in regard to food handling techniques. This will become more important as convenience-store foodservice programs become more sophisticated.

For retail stores, "There will be a shakeout over the next several years, with renewed focus on foodservice," says John Lovelace, central director of foodservice of Dayton Hudson Dept. Store Co. "The majority must go with quicker service, small units and fast-food carryouts. That is where the potential profits lie."

Lovelace thinks many retailers are missing a rare opportunity. His studies show that food is becoming more important to retail customers than at any time in the last 20 years.

**THE SOUTHLAND CORP.**
The Works is the newest creation off 7-Eleven's drawing board. This is a fast-food theme restaurant within the convenience store. The menu consists of freshly cooked items such as hamburgers, Philly cheese steak, a wide variety of pastries, cookies, and much more.

A self-service fresh condiment bar offers 16 different toppings to top off hamburgers, hot dogs and other items. The company will test pizza by the slice in 1987 and deli-style sandwiches.

And 7-Eleven is working on joint ventures with Church's Fried Chicken and Hardee's. The fast food will be provided in a 300- to 600-square-foot area of the 7-Eleven stores and will be prepared by Southland employees.

**Box Office Pizza, a delivery concept from Deliver Ease, offers its Memphis customers movie rentals along with their favorite pizza. This operation, along with other Carson's units, may be on the selling block.**

7
ELEVEN
CHURCH'S

**Combining forces: 7-Eleven and Church's. A match made in heaven?**

**CARSON PIRIE SCOTT & CO.**
On the menu at Carson Pirie Scott & Co.: business transactions that will change the face of its foodservice ventures.

In a restructuring move, Carson Pirie Scott & Co. has agreed to sell Dobbs Intl. Services (airline catering), Dobbs Houses Inc. and Carson Intl. (airport terminal concessions) to the Greyhound Corp. for $390 million.

Other Dobbs Houses' businesses, including Deliver Ease Pizza, Ridgewell's Catering and Toddle House restaurants, may be sold to another company or to their employees.

In another business transaction, Carson's reached an agreement with J. Bildner & Sons, a chain of upscale grocery stores, to manage all of Carson's food operations. Also, J. Bildner & Sons grocery stores will be located in two Carson's stores. Each location will provide fresh produce, a butcher shop, a fresh fish department, a wide variety of imported and domestic cheeses, a broad selection of prepared foods, baked food and dessert items. Additional services will include telephone orders and home delivery.

**CIRCLE K CORP.**
"This has probably been our slowest year for new product introductions," says Stephen Schwitalla, senior vice president. "We are concentrating on selling and promoting the items that really sell the best. We are looking to streamline our menu."

Bestsellers include sandwiches: hot

Circle K Corp. allots 28% of floor space in new stores to self-service.

roast beef and Cheddar, hamburgers, submarine, hot ham and cheese. The Deli Fresh Lite sandwich line, in which all sandwiches are less than 300 calories, is also popular.

"We have reformulated our French Bread Pizza systemwide. This is a very popular item. We have been very low key on new menu item introductions, says Schwitalla. "We just rolled out an 89-cent hamburger and 99-cent cheeseburger systemwide."

### DAYTON HUDSON DEPT. STORE CO.

"Dayton Hudson is out to maximize profit potential by offering customers a variety of quality, trend-setting foods and multiple food concepts that focus on efficient and timely service," says Lovelace.

"The changes that we have made in the sit-down restaurants involve serving our customers quicker," says Lovelace. "On the menu we have a picture of a chef moving rapidly, carrying food on a tray. This signifies foods that can be ordered so that the customer can be in and out in 20 minutes or less."

The other major change on the menu is to have a registered dietitian analyze the entire menu and to print calorie counts on selected items for those customers who are interested in caloric content.

Menus are redone three times a year, allowing Lovelace to ad'l trendy items to the menu. To make sure he is on the money, Lovelace updates a trend curve every six months.

The company has recently opened a prototype Marketplace unit in its Ann Arbor, Mich., store. This includes a Yogurt Express, carryout, upscale salads, such as pasta, seafood, etc., a large selection of mineral waters, prepared gourmet sandwiches, baked on-premises breads, muffins and cookies. —*K.M.*

Dayton's Marketplace sells quality fresh food for take-home customers.

## CONVENIENCE AND RETAIL LEADERS

1 **THE SOUTHLAND CORP. (22)**
**Sales: $875.9MM***
**Units: 7,835**

2 **K MART (34)**
**Sales: $646.2MM***
**Units: 1,968***

3 **CARSON PIRIE SCOTT & CO. (43)**
**Sales: $465.7MM***
**Units: 433***

4 **F.W. WOOLWORTH (101)**
**Sales: $175MM***
**Units: 1,070****

5 **CIRCLE K CORP. (118)**
**Sales: $144.9MM***
**Units: 3,500**

6 **DAYTON HUDSON DEPT. STORE CO. (206)**
**Sales: $70MM**
**Units: 299**

7 **CONVENIENT FOOD MARTS (210)**
**Sales: $69.7MM****
**Units: 1,306**

8 **MAY DEPT. STORES CO. (225)**
**Sales: $62.7MM***
**Units: 375****

9 **McCRORY STORES (261)**
**Sales: $52MM****
**Units: 325**

10 **CARTER HAWLEY HALE STORES INC. (271)**
**Sales: $50MM**
**Units: 110**

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# 400: RECREATION

JUMBO PRETZEL
POPCORN
CHIPS
JUMBO HOT DOG
JUMBO KRAUT DOG
NACHOS&CHEESE
PEPSI

**Nachos and hot dogs, topped with almost anything, rack up concession-stand sales.**

## Recreation Companies Succeed Despite Surprises

### Leisure-foodservice contractors cannot stop a team's losing streak, but such things directly affect sales.

Foodservice contractors who serve Americans during their leisure hours must continually remind themselves that many of the ups and downs of their business are out of their control.

Terrorism in Europe and deregulation at home create turmoil in the airline industry. In-flight food contractors must cope by cutting costs, increasing productivity and stepping up service.

A stadium food-concession contractor hits home runs all season, with "its" teams going to both the World series and the Superbowl. Record attendance brings the challenge—and pleasure—of unheard-of concession sales.

On the other hand, changing attitudes lead to more restrictions on beer sales in stadiums. The contractor may have had nothing to do with the decision, but still bears the brunt of it

**MARRIOTT CORP.**

Like every company involved in passenger air travel, Marriott was affected by turbulence and mergers in the domestic air industry last year. Although the international terrorism scare meant a decline in international flights from U.S. airports, international business was good overall and Marriott ended the year with increased sales.

Those increases were due in part to new flight kitchens in Anchorage, Alaska, and in Hartford, Conn. Marriott acquired five new Canadian flight kitchens as well.

A "back to basics" program emphasized better customer service and increased productivity. Belt-tightening measures decreased administrative and labor costs.

**OGDEN ALLIED AVIATION SERVICES**

The past year was one of retrenchment for in-flight foodservice, says Arthur V. Raymond, vice president for sales and marketing of Ogden Allied Aviation Services. The company, which provides food and other support services for 80 airlines, saw a net drop of three accounts within the last 12 months, largely because of domestic airline mergers. On the other hand, international flights to Europe are up sharply this summer now that last year's terrorism scare has blown over.

On highly competitive routes, meal service has become a marketing lure, Raymond said, citing Pan Am's entry into shuttle service from New York to Boston and Washington, D.C.

International carriers may or may not demand national cuisine on board, Raymond said. Ogden supplies *coq au vin* to Air France and ravioli and cannelloni to Alitalia, but other carriers are content with a good-quality "Continental" meal with no national features. The Colombian airline Avianca asked Ogden to upgrade economy-class meals with consulting help from French chef Paul Bocuse.

### HARRY M. STEVENS INC.

Harry M. Stevens has a sales performance this past year that anyone in foodservice would envy, though the company admits it had nothing to do with its stroke of luck.

The company, which provides contract foodservice for stadiums, arenas and race tracks nationwide, saw not one but two of its clients—the Mets and the Red Sox—face off in the World Series. Stevens cleaned up on food and beverage sales. Then a football client, the Giants, went to the Super Bowl.

This year, however, the company is seeing the development of a trend that will flatten beverage sales, said Robert W. Smith, the company's vice president of marketing. New policies—some self-enforced, some imposed by building management or athletic teams—are designed to control alcohol sales. At the San Francisco Giants' Candlestick Park, for instance, all vending of beer has been discontinued. Customers must go to a concession stand, where they are limited to two 12-ounce cups per purchase.

In food concession, Stevens is finding that frankfurters topped with chili, cheese, sauerkraut and more are popular nationwide. Nachos, once a hit only in the Southwest, are now gaining acceptance as far away as New York.

**Service America offers cold-food selections at several race tracks.**

### AMTRAK

The nation's passenger rail corporation is working to replace the "old-time railroad tradition" with a new tradition of excellence in foodservice, said Harold C. Kabel, director of food, beverage and equipment standards for Amtrak.

Working from a master cookbook, each chef makes menu selections appropriate to the region the train is passing through—brook trout for Colorado, chicken hacienda for California. Vegetarian selection usually is pasta.

Club cars on shorter runs have only microwave ovens for food preparation. Breakfasts feature bacon-egg-cheese and sausage-egg-cheese English muffins, as well as cranberry-nut, bran-date-nut and banana quick breads.

Cold meals are served in a "picnic basket" presentation, with sandwich, fruit and cookies packed in a wicker basket. *—Rita R. Rousseau*

COOKIES
ICE CREAM

**Ice cream and cookie concessions, another Service America option, also do well at race-tracks.**

## LEADING RECREATION CONTRACTORS

1 **MARRIOTT CORP. (4)**
**Sales: $5,051.4MM**
**Units: 4,723***

2 **TW SERVICES (8)**
**Sales: $2,449.2MM***
**Units: 3,862***

3 **UNITED AIRLINES**
**Allegis (28)**
**Sales: $732.1MM†**
**Units: 343****

4 **OGDEN ALLIED SERVICES CORP. (52)**
**Sales: $370MM**
**Units: 1,725**

5 **EASTERN AIRLINES (63)**
**Sales: $286.8MM†**
**Units: 101**

6 **HARRY M. STEVENS INC. (105)**
**Sales: $168MM**
**Units: 35**

7 **NORTHWEST ORIENT AIRLINES (142)**
**Sales: $112MM†**
**Units: 3**

8 **AMTRAK (252)**
**Sales: $55MM****
**Units: 344**

9 **SEA WORLD**
**Harcourt, Brace Jovanovich (276)**
**Sales: $48.7MM**
**Units: 58**

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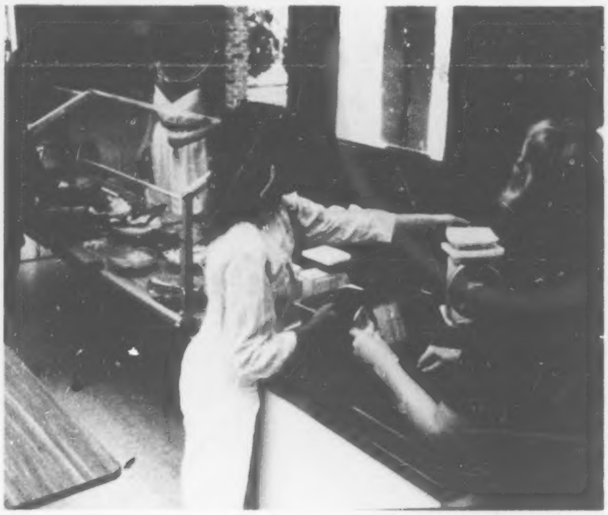
# 400: EDUCATION

## Schools Ask More from Foodservice

### Breakfast, snacks and summertime meals have joined lunch under the school foodservice umbrella.



**Salad bars are part of New York school's "Energy Factory," a cafeteria designed to look like a fast-food restaurant.**

School foodservice managers once had a simple mandate: feed children lunch. But times have changed, and foodservice is called upon to do much more, particularly in large districts serving many poor children.

Now the menu includes not only lunches, but also breakfasts, after-school snacks, even meals during the summer when schools are not in session. Now nutrition education programs fall under the aegis of foodservice. And if all that is not enough, foodservice operations are also expected to market their services.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

The Los Angeles School District is "just beginning to experiment" with debit cards instead of cash for food purchases, reports Randy Altenberg, deputy director of the Food Services Branch.

"It's worked out pretty well," Altenberg says. "Kids see so much ATM usage on TV and on the part of their parents. They enjoy going through the line and putting their card in the machine."

The district, which already has the largest school breakfast program in the country, is inaugurating a "latchkey" after-school program with government-subsidized snacks.

For lunch, menu news includes *piroshky* (or, if you prefer, *empanadas*) and breaded pork steaks, both successfully tested during the 1986 school year, says Anita King, nutrition services manager.

**UNIVERSITY OF WISCONSIN**

Freedom of choice for students—and meeting off-campus competition for students' food dollars—are the goals of the "a la carte" food contract program which the University of Wisconsin has been slowly inaugurating for the past several years.

Students can choose small, average or heavy eater categories, Cleary says, and can take their meals anywhere on campus, not just in their own dorms.

Cafeterias are supplemented by "convenience stores" in dorms and other high-traffic locations on campus. The shops sell toiletries as well as cold or microwavable sandwiches, cheese, yogurt, fruit, juices and soft drinks—the latter particularly in demand to stock dorm refrigerators.

A particular challenge for foodservice operations (run by the university at four of the 13 campuses, by contractors at the other nine) is the changing beverage picture, Cleary notes. Thanks in part to a new law raising the Wisconsin drinking age from 18 to 21 (with 19-year-olds "grandfathered"), alcoholic beverage sales slumped 35% to 50% last year, depending on the campus. Changing customs have created a void in students' social lives that foodservice managers are attempting to fill. Bar areas are being converted to foodservice areas, or remaining as social lounges with more emphasis on non-alcoholic beverages, food and entertainment.

**NEW YORK CITY BOARD OF EDUCATION**

Nowhere in the world is culinary competition stiffer than in New York City, and public schools are in the thick of it.

Like their commercial cousins, school foodservice personnel have chosen sophisticated marketing programs as the main weapon in their battle for customers. No fewer than five poster and ad campaigns are in the works or have recently been presented to the public, according to David Liss, special assistant for communications in the Office of School Food and Nutrition Services.

The district worked with the American Dairy Association last year on a "Let's Do Lunch" poster featuring what Liss described as a "moody, artsy black-and-white photo of cool-looking teens" with bright red lettering and an inset color photo of the food.

**"Lunch for Breakfast" programs play with traditional mealtime favorites.**

&RESTAURANTS INSTITUTIONS

## LEADERS IN SCHOOL FOODSERVICE

1 **NEW YORK CITY BOARD OF EDUCATION (84)**
**Sales: $222.7MM†**
**Units: 1,200**

2 **LOS ANGELES UNIFIED SCHOOL DISTRICT (106)**
**Sales: $165.5MM†**
**Units: 572**

3 **CHICAGO BOARD OF EDUCATION (158)**
**Sales: $97.1MM†**
**Units: 591**

4 **CALIFORNIA STATE UNIV. CAMPUSES (220)**
**Sales: $66.2MM†****
**Units: 38**

5 **HOUSTON INDEPENDENT SCHOOL DISTRICT (257)**
**Sales: $53MM†**
**Units: 226**

6 **DADE COUNTY SCHOOLS (258)**
**Sales: $52MM†**
**Units: 281**

7 **UNIVERSITY OF WISCONSIN SYSTEM (268)**
**Sales: $50.4MM†**
**Units: 141**

8 **STATE OF HAWAII SCHOOL FOODSERVICE (312)**
**Sales: $41.6MM†**
**Units: 227**

9 **DALLAS INDEPENDENT SCHOOL DISTRICT (315)**
**Sales: $40.6MM†**
**Units: 183**

10 **MICHIGAN STATE UNIVERSITY (320)**
**Sales: $40MM†**
**Units: 43**

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## Alcohol-free bars emphasizing food help colleges deal with changing drinking laws.

In another effort to compete with off-campus alternatives, the district has converted some school cafeterias to an "Energy Factory" format, with the look of a fast-food restaurant and fast-food alternatives offered in addition to hot lunches and a salad bar. Although the Energy Factories have been popular, the format is being rethought, Liss says, because of mixed feelings about school cafeterias being identified with fast food.

### CHICAGO PUBLIC SCHOOLS

Foodservice staff members of the Chicago Public Schools are looking forward to the construction this fall of a new testing facility with more sophisticated equipment for measuring microbial contamination as well as other elements of food quality.

Staff will test foods purchased for use in Chicago schools and monitor foods prepared in school kitchens, explains Betty Davenport, training director.

The expanded, relocated facility also will include a "cookie factory," where initially cookies will be baked for distribution to schools that do not have adequate baking facilities. Eventually, all cookies and many other baked products may be produced there for distribution systemwide.

Chicago has one of the largest school breakfast programs in the country, each day serving breakfast to 70,000 to 73,000 children. "Lunch for breakfast" and "breakfast for lunch" promotions have been among the most successful menu innovations of the past year, Davenport says. The former has included pizza (always a big hit) and hot soup; the latter, pancakes and sausage served in large enough portions to meet nutritional requirements for lunch. ***—R. R. R.***

**College campuses must compete with commercial fast food.**

### GETTING A QUICK FIX

To many college students, a varied diet means visiting McDonald's one day, Burger King the next, followed by Taco Bell, Kentucky Fried Chicken and a phone call to Domino's Pizza. Indeed, quick-service items figure prominently in a student body's daily intake.

In light of this fact, many college dining services have introduced concepts designed to compete directly with fast-food operations.

At California State University's Long Beach campus, the newly renovated University Dining Plaza attracts many types of appetites. Besides faculty and staff dining areas, the Plaza also features an International Cafe (Mexican, Oriental, Italian and Continental), the A La Mode (yogurt and lighter foods) and the Nugget (pizza, beer and gourmet hamburgers).

Because work on the new concepts is not yet complete, quantitative results of the units' effectiveness are not available. However, university officials are confident the Plaza will be a success.

**At University of Wisconsin schools, students deem themselves small, medium or heavy eaters, and pay accordingly.**

# 400: MILITARY

Military Traypacks provide troops with hot food anywhere they need it.

# New Military Foodservice Pushes Troops To Health

## Fast-food franchises offer soldiers a taste of civilian life, while healthy mess keeps them in shape.

From elegant officers' clubs to cafeteria lines, managers of military foodservice are gently pushing their clientele toward healthier eating habits. They substitute lowfat milk for whole milk, replace salt shakers with herbal seasonings, and broil or bake instead of fry. Officers' clubs promote more elegant food and de-emphasize liquor; troop cafeterias display nutrition posters.

Acceptance of the innovations has been good, the foodservice managers say. Military men and women, like the civilian population, are becoming more attuned to nutrition.

Increasingly, military foodservice duplicates taste treats available in the civilian economy—from ethnic foods to *haute cuisine* to burgers from a familiar fast-food chain.

### U.S. ARMY TROOP SUPPORT AGENCY

U.S. Army foodservice managers from posts around the world gathered this March at Ft. Lee, Va., to brainstorm ways to implement nutrition standards mandated by Army Regulation 40-25, which requires Army foodservice to come into line with nutrition recommendations of the U.S. Surgeon General.

Participants were enthusiastic about troop response to the program, says Alice Skinner, chief of the dietary programs division of the Directorate of Food Service, U.S. Army Troop Support Agency.

To discourage sodium use, for instance, some managers reported that they had placed herbal seasoning mixes on the serving line and that troops were using them. Others, who had removed salt shakers from tables, told their colleagues that requests for the missing salt has been minimal.

Army foodservice managers have found ways to reduce fat and cholesterol content of the foods they serve. Milk dispensers now stock lowfat milk, with whole milk available only in individual containers and only when troops request it.

### ARMY AND AIR FORCE EXCHANGE SERVICE

For several years, the Army and Air Force Exchange Service has used franchises to give troops a taste of familiar chain restaurants, ranging from Burger King to Baskin-Robbins. Now, AAFES is developing its own brand-name concepts for pizza, submarine sandwich and hot dog eateries on military bases, says Henry J. Fournier, chief of the food branch.

Each concept will use the same sort of standardized decor and menu that a commercial chain would, Fourier says. The three types of restaurants will be distinct from each other, and each will have its own catchy name.

AAFES strives to duplicate consumer culture on Army and Air Force bases. "Fun Food Centers," for instance, offer slushes and flavored popcorn. As a licensee, the service bakes Country Hearth breads in its eight bakeries and produces Weight Watchers novelty desserts in its two ice cream factories.

### AIR FORCE OPEN MESS SYSTEM

Upgrading quality, enhancing nutrition and increasing family appeal have been the emphases of the Air Force Open Mess System this year, says Dr. Lionel W. Simmons, chief of the Open Mess Branch of the Air Force Morale, Welfare and Recreation office.

Quality upgrading in the Open Mess System's 260 officers', non-commissioned officers' and consolidated clubs focuses on staff training, Simmons says. Managers of clubs throughout the system receive training in food presentation and service, then train subordinates.

As in the civilian sector, liquor consumption in Air Force clubs has been declining as the emphasis on food has grown. Menus have been modified to lower fat and cholesterol, with less frying and more broiling.

### AIR FORCE ENGINEERING AND SERVICES CENTER

Managers of Air Force foodservice operations for enlisted personnel are excited about the new SIMS computer program that will enable them to track inventory and cash register receipts by the meal, by the day or by the month. And cooks are excited because the program lets them call up any of 2,000 recipes, reminds them how popular the item was last time it was served, recommends the right number of servings to avoid waste, multiplies the recipe by that number and advises them when to start preparation.

**Mess-hall nutrition campaigns include lowfat milk, whole-grain bread.**

**Military foodservice kitchens are producing more low-salt, lowfat meals.**

The software is part of a multimillion-dollar billeting program, says Germaine G. Gotshall, chief of the food management division. It passed a six-month test last year at Davis Monthan Air Force Base in Tucson, Ariz., and is now being used at about six bases.

Foodservice operations for Air Force enlisted men have been making fuller use of equipment and enhancing troop nutrition by stocking self-serve breakfast items at salad bar stations. Choices include fresh fruits and juices, breads and pastries, ready-to-eat cereals, yogurt and cheese.

Despite new dietary guidelines, young enlisted men still like fried foods; foodservice operations have compromised by offering more oven-fried items. Lowfat milk is displayed more prominently than whole milk, and has gained acceptance. Whole-grain breads are available and fish is served frequently. Ethnic nights are promoted as often as once a week.

### U.S. NAVY FOODSERVICE SYSTEMS OFFICE

Two separate computer programs are in the works at the Navy Foodservice Systems Office, says Lieutenant Commander Henry E. Pettaway, director of planning and administration.

One, which will automate financial recordkeeping for foodservice, will be implemented beginning this year on Navy ships and phased in later for onshore facilities.

Like other branches of the service, the Navy is working to upgrade facilities throughout the system and to give those who dine there a healthier, more varied cuisine. The Navy added papaya to its menus in 1986, and moved on to exotic kiwifruit this year. ***R. R. R.***

## MILITARY FOODSERVICE LEADERS

1 **U.S. ARMY CLUBS AND RECREATION (29)**
**Sales: $715.1MM†**
**Units: 631**

2 **U.S. ARMY TROOP SUPPORT AGENCY (30)**
**Sales: $700.8MM†**
**Units: 1,105**

3 **ARMY AND AIR FORCE EXCHANGE SERVICE (41)**
**Sales: $496.9MM†**
**Units: 2,732**

4 **AIR FORCE OPEN MESS SYSTEM (48)**
**Sales: $409.8MM†**
**Units: 502**

5 **U.S. AIR FORCE (55)**
**Sales: $329.6MM†**
**Units: 672**

6 **U.S. NAVY OFFICERS AND ENLISTED MESS SYSTEM (85)**
**Sales: $222.4MM†**
**Units: 256**

7 **NAVY RESALE SERVICES AND SUPPORT OFFICE (130)**
**Sales: $125.5MM†**
**Units: 538**

8 **VETERANS CANTEEN SERVICE (150)**
**Sales: $104MM†**
**Units: 175**

9 **U.S. COAST GUARD (244)**
**Sales: $56.8MM†****
**Units: 398**

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# 400: HEALTH CARE

## Networking, Computers Aid in Caring for Patients

### Administrators pour creativity into foodservice, as they realize its importance to well-rounded health care.

Both computer power and human brainpower are being plugged into hospital and health-care foodservice systems in an effort to cut costs and improve productivity, service and the nutritional value of meals served. Decreasing profitability in the industry and more stringent government regulations on both reimbursement and nutrition have forced dietary managers at large companies to think creatively.

Some are harnessing computers to serve their needs, helping them with purchasing, production and patient requirements and preferences.

Others bring together managers of once-autonomous operations to share successes and failures, implement standard procedures and dream up possible improvements.

Menus are being rethought, with some companies moving toward cycle menus, and others implementing restaurant-style menus.

One thing is certain: The relevance of foodservice to both medical and marketing needs is seen more clearly than ever.

#### NATIONAL MEDICAL ENT.

A dietary quality standards committee, composed of eight foodservice directors from around the country, has been established by National Medical Ent. to network, share specific successes, create a standardized procedures manual and evaluate staff training, reports Larry A. Loman, the company's director of dietary services.

One committee member is an executive chef; the rest are registered dietitians, Loman notes.

The company also is encouraging dietary workers to join professional associations.

Hospitals in the system function with a great degree of autonomy, so trends are difficult to spot. Several are rehabilitation and psychiatric hospitals where patients generally go to a cafeteria for meals, rather than having meals delivered on a tray.

Some of the company's acute-care hospitals are moving toward a restaurant-type menu offering several selections that do not change daily.

Simplification and elaboration of foodservice are contrasting trends. Either may be appropriate for a particular market, Loman explains. In areas of strong competition and affluent population, gourmet food can be an important marketing tool. Where most patients are on Medicare or Medicaid, cost containment becomes the pre-eminent concern.

**Nursing-home companies are paying more attention to food quality, as well as patrons' likes and dislikes.**

RESTAURANTS & INSTITUTIONS

**Hospital administrators check trays against patients' dietary needs and food preferences.**

HOSPITAL CORP. OF AMERICA

"The most fun thing we've ever gotten to do" is the way Mary Welsh Owen, manager of dietary services for Hospital Corp. of America, described the regional task forces that her department set up to help refine foodservice operations in the 389 hospitals the company owns and manages.

Now, each divisional group of 10 to 24 hospitals has ongoing culinary and purchasing task forces that work together to standardize cafeteria pricing, figure the cost per day and per patient meal for each hospital and region, and monitor competitiveness. Members of the task forces also seek volume deals from vendors. Implementing the recommended changes has saved some divisions as much as $1 million to $2 million, Owen says.

Although each hospital in the system is different, most are moving away from restaurant-style menus and toward cycle menus, Owen says. Previously, cycles lasted as long as three to four weeks before a menu item was repeated; since patient stays are now usually no longer than five or six days, cycles now average eight to 16 days.

Cost containment has become more and more important, Owen says, and elaborate menus are being rethought. "Food that the patient is familiar with, presented in an attractive way" is the current goal, she says. Preferences of geriatric and ethnic patients are taken into account. Still, gourmet meals may be used in OB wards as a marketing tool, and in cancer wards to tempt patients with queasy stomachs.

BEVERLY ENT.

The company reorganized in 1986, and made a commitment to quality that led to an internal auditing and a push toward standardization of department procedures. For dietary services, that also meant standardization of food quality in the company's 1,100 nursing homes.

This summer, the company inaugurates a corporate training program. Dietary personnel will undergo a week of

## TOP HEALTH-CARE COMPANIES

1
**NATIONAL MEDICAL ENT. (64)**
**Sales: $280.5MM**
**Units: 563**

2
**HOSPITAL CORP. OF AMERICA (68)**
**Sales: $273.5MM†****
**Units: 389**

3
**BEVERLY ENT. (65)**
**Sales: $253.4MM*†**
**Units: 1,100**

4
**UNICARE HEALTH FACILITIES INC. (129)**
**Sales: $126MM†**
**Units: 600**

5
**HUMANA INC. (190)**
**Sales: $78.2MM***
**Units: 87**

6
**AMERICAN MEDICAL INTL. (222)**
**Sales: $64.2MM***
**Units: 122**

7
**HEALTHCARE SERVICES OF NEW ENGLAND (267)**
**Sales: $50.4MM†**
**Units: 409**

8
**THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY (307)**
**Sales: $42.5MM†**
**Units: 200**

9
**DIETARY CONSULTANTS INC. (341)**
**Sales: $36MM†**
**Units: 65**

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# 400: HEALTH CARE

## To add appeal, health-care facilities are both simplifying menus and adding fancy touches.

intensive training in Atlanta.

Some 100 registered dietitians were hired systemwide to implement the new programs.

### HUMANA INC.

Although dietary operations of the 87 hospitals in the Humana system are completely autonomous, some trends can be tracked, says Patrick Stone, senior manager of public affairs.

More outpatient procedures mean a declining inpatient load, and days per patient have been going down, too. Patient-days in Humana hospitals totaled 3.069 million in 1986 versus 3.142 million in 1985—a 2.3% drop. Because of that drop, productivity and cost-effectiveness are of greater and greater concern.

Foodservice is an important part of hospital marketing and patient morale, so more attention is being paid to technical aspects of improving presentation, Stone says. Those aspects might range from new cafeteria decor to training employees in a more gracious attitude of service.

### DIETARY CONSULTANTS INC.

"The biggest thing in foodservice since the oven" is how Harry L. Young, vice president for sales and marketing at Dietary Consultants Inc., describes the company's new "MenuSoft" computerized diet card system. A bit of an exaggeration, perhaps, but the program does have some impressive abilities.

DCI, which manages foodservice for nursing homes (and two upscale retirement homes), designed the programs to help foodservice managers cut costs and conform to nutritional guidelines by tracking what a resident actually eats. Each patient's diet and analysis begins with an audit of what is on the patient's tray, both before and after the meal. Then, the individual's dietary restrictions and requirements, and food preferences are entered into the program and matched against the available menu.

After analyzing each patient's food habits and needs, the computer prints out an individualized menu with appropriate portions. After doing the same for all patients, it calculates production needs and prints out production sheets.

Young ticks off the advantages of the system: it reduces mistakes, increases patient food intake, eliminates hand tallying, increases trays-per-minute productivity, reduces employee training time, lowers the potential for state survey deficiencies caused by item error, and enhances production and cost control.

***—R. R. R.***

### TO MARKET, TO MARKET

While some hospitals only recently have recognized foodservice as the asset it is, others have capitalized on its merits for years. Just look at Hospital Corp. of America's North Florida Regional Hospital in Gainesville, Fla.

Room service, off-premises catering and senior-citizen discount meals are only a few of the many programs offered at North Florida. And none of these are new. "We started our services long before 'guest relations' was the vogue term," says Director of Marketing Marilyn Tubb.

The discount-meal program, in place for nearly 10 years, offers area seniors breakfast and dinner at 25% off the regular price. "We really don't need to promote it any more," says Tubb. "Now it just grows by word of mouth."

The hospital's room service and catering operations also enjoy loyal followings, as does the food co-op offered to employees. Another program, more public-relations than marketing oriented, devotes cafeteria revenues from time to time to worthy causes. "Sometimes it's an association in need, sometimes it's for a family burned out of their home," says Tubb. "We just want to show we are a user-friendly institution."

**Foodservice consultants to retirement homes use computers to keep track of guests' dietary needs.**

# Menu Concepts Help Contractors Go Commercial

## Foodservice management firms find the most effective way to keep customers in is to go all-out.

As the battle to keep customers in rises to a fevered pitch, contract-management companies have begun developing their own versions of the fast-food, healthful-food and signature concepts that have been successful in commercial foodservice.

Wood Co. and Canteen signature items, dāka's J.P. Swift's, ARA's Treat Yourself Right—each of these programs were developed in response to what customers said they wanted. Furthermore, all signify that the wall between commercial and institutional offerings is crumbling.

In school, college, health-care, and business and industry accounts, contractors are melding the formulas of commercial counterparts to match customers' demands and fit their own marketing needs. The following profiles provide excellent examples of how many concepts—quick serve, light and healthful, and classic quality, to name a few—can transcend the boundaries of the commercial segment and appear in a wide variety of contracted settings.

### ARA SERVICES

Customers at more than 500 ARA accounts are treating themselves to healthier life styles, thanks to that company's latest wellness-oriented menu program. Introduced in March, 1986, ARA's Treat Yourself Right menus offer more than 200 alternatives designed to reduce caloric intake as well as limit sodium and fat consumption.

All TYR items follow American Heart Association guidelines for healthful eating. Some foods, such as fresh fruits and vegetables, are naturally nutritious; others' nutritional values have been enhanced through modified preparation techniques.

TYR meat and fish entrees are baked or broiled rather than fried, and high cholesterol and high-fat ingredients are avoided in all recipes. Fried shells for taco salads have been replaced with glass bowls and vegetables are substituted for meat toppings on pizzas.

Besides healthful foods, ARA also provides its customers with a wealth of nutrition information generated by company dietitians. Leaflets on diet and exercise as well as information on specific nutrients is readily obtainable in ARA cafeterias offering the Treat Yourself Right program.

### CANTEEN CORP.

Signature items are a wave of the '80s, and Canteen is riding the crest. Beginning with its Bigger Better Biscuits, introduced last year, the company has rolled out a series of signature items promoted with couponing and point-of-sale merchandising.

"The biscuits have gone over well everywhere—not just in the South as you might expect," says Sheldon Silver, Canteen's director of marketing services. "We're just beginning a national rollout of our pizza, and more items are scheduled for later this year."

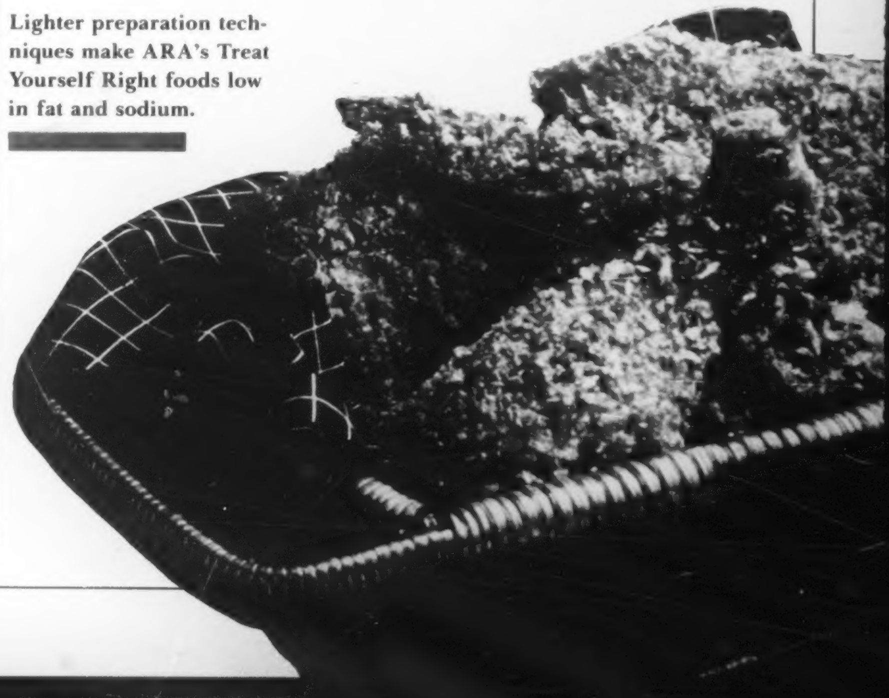
Canteen also has increased its emphasis on customer quality-awareness. The company's 100% Colombian Coffee program has received excellent response from clients and customers.

**dāka's J.P. Swift's items are packaged to eat in or on the run.**

"All the things we're doing are to illustrate that we're as interested in their (the customers') tastes and interests as are the commercial establishments," says Silver. "When people go out to eat, they expect a certain level of service. We've been doing that for years."

### GREYHOUND CORP.

Greyhound renamed its contract foodservice division Restaura to more accu-



**Lighter preparation techniques make ARA's Treat Yourself Right foods low in fat and sodium.**

rately reflect the role it fills—*restaurant* management as opposed to merely foodservice. Now, to achieve a truer sense of the word, the company has added even more menu programs to its already-expansive list.

Restaura's corporate dining division offers customers a variety of eating options, ranging from light and healthful to classic American cuisines. Nutrition, diet and exercise are the focus of Restaura's Countdown to Wellness program; Eatin's Easy offers customers a choice of soups and salads, fast-food-style sandwiches or full-course meals.

American Harvest, another corporate-dining offering, emphasizes traditional foods plus quality and freshness. Menu selections range from farm-fresh breakfasts to poultry, beef and seafood entrees, and freshly made desserts; all are tailored to fit operations' specific needs.

Another Restaura division, leisure services, provides foodservice to a wide range of accounts, from the San Francisco Opera to the Philadelphia Civic Center, fine dining and concessions.

### SEILER CORP.

According to industry statistics, pizza is the second-fastest growing fast-food category in the country, while delivery is the fastest-growing service. Seiler's Pizza Plus concept joins these two formulas to form what company officials hope will be a winning combination.

"Most units already serve pizza," says Seiler's Susan Valenti. "Pizza Plus just takes that one step further by adding a delivery number." She says the concept was developed primarily for college accounts, but will be added at other locations if the need arises.

Another plan on the Seiler drawing board has its roots in commercial food courts. Through the use of special signs and color schemes, the company plans to turn cafeteria soup, salad, deli and dessert areas into concept stations. Valenti says the company will unroll this food court concept in college cash operations first, then move on to hospital, and business and industry accounts.

### CUSTOM MGMT. CORP.

Although recently purchased by Morrison Inc., for now it's business as usual at Custom Management Corp. The company plans to continue offering its diverse selection of menus, each of which is tailored to meet the needs of specific

**A wok on the serving line prepares foods to order in Greyhound's upscale American Harvest program.**

## LEADING CONTRACTORS

1 **MARRIOT CONTRACT FOOD SERVICES DIV.**
**Marriot Corp. (4)**
**Sales: $2,250MM***
**Units: 2,200***

2 **ARA SERVICES INC. (7)**
**Sales: $2,632.3MM†***
**Units: 3,456***

3 **CANTEEN CORP.**
**TW Services (8)**
**Sales: $1,352MM***
**Units: 3,200***

4 **SERVICE AMERICA CORP. (19)**
**Sales: $1,001.9MM**
**Units: 11,546**

5 **OGDEN ALLIED SERVICES CORP. (52)**
**Sales: $370MM**
**Units: 1,725**

6 **GREYHOUND FOOD MGMT. INC. (53)**
**Sales: $350MM**
**Units: 439**

7 **DELAWARE NORTH COS. INC. (74)**
**Sales: $250MM**
**Units: 292**

8 **SZABO FOODSERVICE CO. (77)**
**Sales: $246.7MM†***
**Units: 371***

9 **FOOD CONCEPTS INC. (80)**
**Sales: $225MM†**
**Units: 633**

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year; unit figures represent the number of units open as of 1/1/87. **R&I* estimate; **company est.; †commercial equivalent ©1987 *Restaurants & Institutions*, a Cahners publication.

# 400: CONTRACTORS

## LEADING CONTRACTORS

10 **THE SEILER CORP. (86)**
**Sales: $220.2MM***
**Units: 540***

11 **CUSTOM MGMT. CORP. (92)**
**Sales: $202.6MM**
**Units: 417**

12 **HARRY M. STEVENS INC. (105)**
**Sales: $168MM**
**Units: 35**

13 **WOM ENT. INC. (115)**
**Sales: $147MM†**
**Units: 44**

14 **CLUB CORP. OF AMERICA (120)**
**Sales: $140MM**
**Units: 206**

15 **DĀKA (125)**
**Sales: $128.9MM†***
**Units: 311**

16 **FOOD DIMENSIONS INC. (127)**
**Sales: $126†**
**Units: 95**

17 **THE WOOD CO. (146)**
**Sales: $106.8MM**
**Units: 140**

18 **GUEST SERVICES INC. (151)**
**Sales: $100MM**
**Units: 122**

19 **THF-EASTERN (166)**
**Sales: $93.8MM†**
**Units: 280**

20 **PROFESSIONAL FOOD SERVICE MGMT. INC. (182)**
**Sales: $82.8MM†***
**Units: 105**

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## Despite rapid growth, successful contractors stress quality rather than quantity.

market segments.

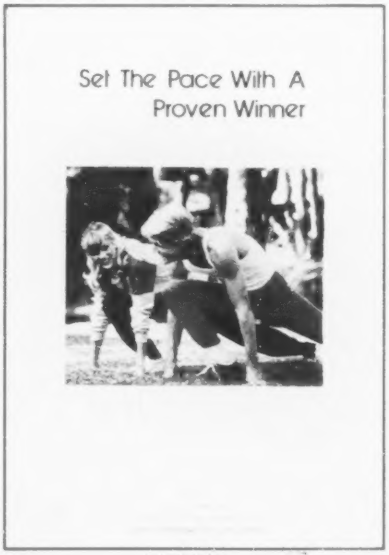
One change, though, initiated before the sale, will have quite an impact on the types of foods CMC offers. The company's entire recipe file—more than 900 formulas in all—has been revised to reflect industry trends toward more healthful cuisines. Less fat and salt, more fiber, and a greater selection of "lighter" fare will distinguish the new, improved menu items.

These revisions come on the heels of Options, CMC's light-and-healthful menu program introduced last year. Offered along with regular menu items and identified by a large red check, Options selections feature an entree, starch and vegetable that together total 400 to 450 calories. The program stresses diet modification while introducing customers to new foods and lighter preparation methods.

### DĀKA

dāka describes its basic menu fare as "wholesome, nourishing food." But last year the Wakefield, Mass.-based foodservice management company took this concept one step further, introducing a line of quick-service items called J.P. Swift's.

**True to its name, Custom Management offers customized concepts.**



Bright and bold, Swift's is dāka's response to customer demands for quality and speed. Offered in corporate and college accounts, the concept has met with success in both areas.

Breakfast items include English-muffin, croissant and biscuit sandwiches, as well as combination meals of scrambled eggs, sausage, potatoes and pancakes. Quarter-Round hamburgers, Quick Chick and Seashore sandwiches make up Swift's lunch fare; hot and cold deli sandwiches also are available. The company is testing other quick-service items now; plans for 1987 call for increased emphasis on nutritious fast food.

Foods are packaged in heat-retaining Styrofoam containers that continue the Swift color scheme. Keeping quality a top priority, dāka requires that no foods be held longer than 10 minutes before serving.

### THE WOOD CO.

The Wood name always has meant quality, but now a line of signature items backs up that claim.

"We're trying to be much more market oriented," says Wood Co. President Robert Wood. "We've moved to a restaurant-style approach. We don't feel the so-called 'institutional image' is something we want to project."

With Today's Taste for Today's Life Style, Wood brings together several popular commercial concepts through the use of menu-component "modules." Names such as Grills and Frills (short-order foods), Cut Above (deli-style meats) and Tag Alongs (side dishes) identify the foods and encourage customer loyalty.

"We've realized that now we're the captives—our market certainly isn't," says Wood. "Because we must serve the same market segments every day, we need to develop new concepts that will keep our look fresh.

"Our rationale behind Today's Taste is to get some of our regular customers to buy up (upgrade their purchases) while also attracting new customers that may previously have gone out."

***—Pam Erickson***

# 400: LODGING

Hotel chefs have, for generations, taken pride in their ability to create wondrous ice carvings.

## Hotel Restaurants Aim for Great but Casual Dining

### American regional cooking is cropping up just about everywhere—and so are bistros.

"The traditional hotel dining room is doomed. It has the image of being stuffy, overpriced and only for special occasions," says Karl Kilburg, vice president of food and beverage for Marriott Hotels and Resorts. He and many other hotel executives see their competition for dining dollars as restaurants, not other hotels.

Some hotel chains are conceding the battle for customers before it begins—notably, the growing suites-only and limited-services hotels, which offer minimal foodservice. But many others are fighting hard not only to keep their own guests, but to draw local residents in for a meal.

Their actions come at the right time, for occupancy rates seem to be heading back up. A 0.7% increase during 1986 is expected to rise to 3% and to hold steady for the next five years, according to the American Hotel & Motel Association.

Some companies work out an arrangement with a restaurant company to run part or all of their foodservice operations. Chains intent on maintaining control invoke the Stars and Stripes, more often than not—it's hard to find a major hotel chain these days that *isn't* offering its own brand of American regional cuisine. Those who do want a French flavor are converting formal dining rooms to bistros.

Other hot items this year are elaborate food stands to roll around a hotel lobby, deli and food markets, culinary competitions for chefs and cooking lessons for guests.

**HOLIDAY CORP.**

In a test that could have national reverberations, Red Lobster is in business at two Holiday Inns. "It's a good match. Our customer demographics are very similar—the upper end of the mid-priced market," says John Onoda, public relations director.

Hampton Inns, Holiday's entry in the mushrooming limited-service segment, solves the food problem by serving hardly any. In response to guest requests, the hotels are supplementing the normal Continental breakfast with low-sugar items such as bagels and fruit.

A lobby food stand, selling salads and sandwiches, is adding dollars to lunch business for The Washington Holiday Inn. Low start-up costs add to the appeal of Vie de France stations, which are also under consideration. Holiday may even incorporate items from the mobile units into the room service menu.

**MARRIOTT HOTELS AND RESORTS**

In tune with the taste for casual dining, Marriott recently introduced its American Favorites menu, available until Nov. 30 in more than 100 Marriott hotels. The menu was inspired by research showing that the best-selling items of 1986 were steaks, fish entrees, chicken breast entrees, Oriental and stir-fry items, ethnic foods and regional cooking.

Priced between $5.95 and $12.95, the 12 American favorite items include Mexican Pizza, California Frittata, Beef Steak Chili, and onion rings with tangy cranberry and peppercream sauces.

In several Marriott hotels, a hybrid dining concept combining classical French with Oriental cuisine has received good customer reviews. Interestingly, a majority of customers order Oriental, perhaps because the prices are somewhat lower.

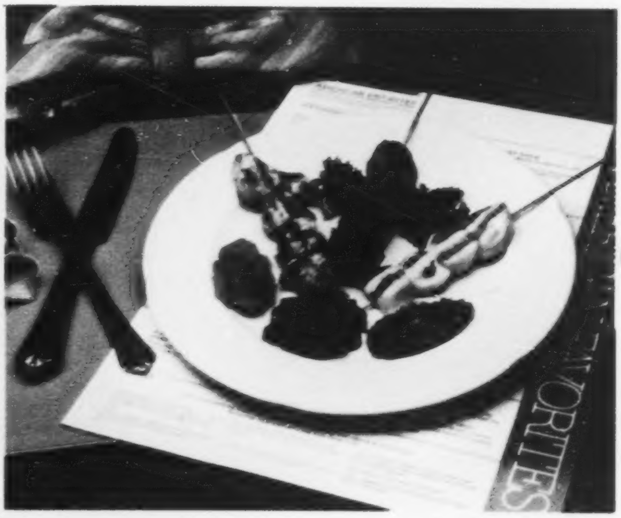
**HYATT INTL. CORP.**

Food and Beverage Director Heinz Kern thinks the secret to serving what he calls "true American cuisine" is in treating each of Hyatt's approximately 232 food and beverage outlets as an independent operation. He says the company is moving away from a previous practice of contracts with franchised restaurants such as TJ Peppercorns and Duck & Co. Instead, each operation's menus should fit local market needs.

In search of that valuable but elusive commodity, the local customer, Hyatt constantly seeks ways to give extra oomph to special events, a category that has expanded over the years to include more than 50 kinds of theme parties. Creative use of hotel facilities, such as a poolside setting for Sunday brunch, can also attract extra customers.

**THE CONTINENTAL COS.**

Hotels need at least two kinds of restaurants for a mixed-use facility, believes Ron Sanpiero, food and beverage direc-



**Marriott's new American Favorites menu couples interesting food with moderate prices to attract local customers.**

## TOP LODGING COMPANIES

1 **HOLIDAY CORP. (11)**
**Sales: $1,638.3MM***
**Units: 2,482***

2 **HILTON HOTELS CORP. (20)**
**Sales: $930.6MM***
**Units: 1,155***

3 **RADISSON**
**Carlson Hospitality Corp. (26)**
**Sales: $749.7MM**
**Units: 889**

4 **RAMADA INNS INC. (27)**
**Sales: $737.9MM***
**Units: 701**

5 **HYATT HOTELS CORP. (31)**
**Sales: $681.8MM***
**Units: 386***

6 **QUALITY INNS INTL. (45)**
**Sales: $441.9MM***
**Units: 816***

7 **INTER-CONTINENTAL HOTELS CORP. (51)**
**Sales: $381MM***
**Units: 399***

8 **NESTLE ENT. (78)**
**Sales: $232MM***
**Units: 239**

9 **BROCK HOTEL CORP. (79)**
**Sales: $228.6MM**
**Units: 316**

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# 400: LODGING

### TOP LODGING COMPANIES

10 **TRUSTHOUSE FORTE (104)**
**Sales: $170MM**
**Units: 440**

11 **OMNI HOTELS CORP. (111)**
**Sales: $150.4MM**
**Units: 92**

12 **PRIME MOTOR INNS (117)**
**Sales: $145MM***
**Units: 271***

13 **HYATT INTL. CORP. (126)**
**Sales: $127MM**
**Units: 180****

14 **CAESARS WORLD INC. (136)**
**Sales: $119MM**
**Units: 34**

15 **RODEWAY INNS INTL. (156)**
**Sales: $99MM***
**Units: 152**

16 **AIRCOA (162)**
**Sales: $95.2MM***
**Units: 102***

17 **THE CONTINENTAL COMPANIES (163)**
**Sales: $94.5MM**
**Units: 43***

18 **THE REGISTRY HOTEL CORP. (169)**
**Sales: $92.6MM**
**Units: 61**

19 **W.B. JOHNSON PROPERTIES INC. (170)**
**Sales: $91.8MM***
**Units: 129**

20 **LOEWS HOTELS (178)**
**Sales: $85.6MM**
**Units: 74**

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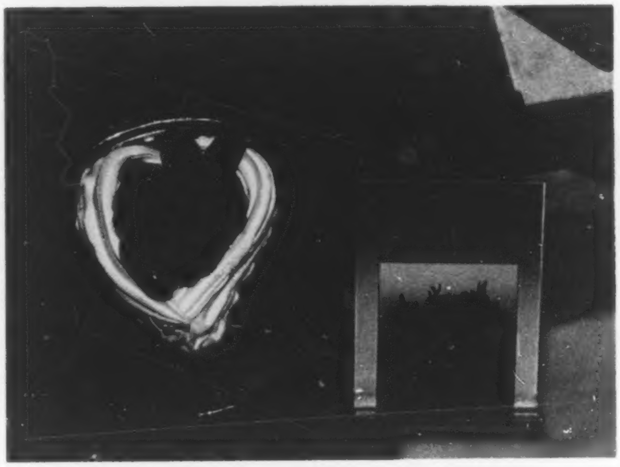
## Food carts, deli and food markets, and theme parties are designed to pull in local traffic.



**Seasonal and regional are the continuing themes in Hilton's American Harvest restaurants.**

tor. That's just what The Continental Cos., which manages more Sheratons than any other company, is doing.

The Sheraton at DCOTA (Design Centers of the Americas) in Fort Lauderdale, Fla., is a case in point. The full-service restaurant, which offers an eclectic menu of American regional food, is frequented by designers and their clients who are visiting the international design center in the hotel.

For hotel employees and guests who just want a quick bite, on the other hand, the hotel has a free-standing gourmet deli right next door. It comes equipped with wine, cheese, patés and all kinds of other products suitable either for a sit-down meal or for carry-out.

### HILTON INTL. HOTELS

The American Harvest concept, which helped pioneer a revived interest in American foods several years ago, is still going strong. Fresh is the rule—only ice cream and shrimp are frozen—and the menu changes 12 times a year to reflect what's in season.

Regional American specialties, à la Hilton, are rarely literal-minded reproductions. All the flavors of Shaker food are preserved, for instance, but the presentation is far more elegant than the original.

Promotions used to proceed in lock-step fashion, with every Hilton restaurant, for example, touting a strawberry festival in April. "But regional food preferences negate that approach, so now we encourage each operation to develop their own menus, using indigenous ingredients," says Food and Beverage Director Peter Kleiser. Rewards for the extra creativity come in the form of gifts, free travel and recognition in company publications.

### REGISTRY HOTEL CORP.

The reign of French *haute cuisine* has ended in the dining rooms of Registry Hotels, which have instead embraced new American cuisine. "Menus are printed entirely in English, and our emphasis is on presentation, fresh ingredients and *a la minute* cooking," says Franz Eichenauer, food and beverage director.

The menu changes a minimum of every three months to reflect whatever's hot. One of the year's success stories is the All-American Hamburger—8 ounces of lean beef with hand-cut French fries.

For the most part, however, chefs of individual hotels have the freedom to choose the dishes they serve. To prevent variations in quality among hotel restaurants, the chefs must submit their menus for headquarters approval; all recipes are tried out in the test kitchen

# 400: LODGING

**TOP LODGING COMPANIES**

21 **DAYS INNS OF AMERICA INC. (181)**
**Sales: $83.2MM***
**Units: 359***

22 **PRINCESS HOTELS INTL. (201)**
**Sales: $72.8MM***
**Units: 34**

23 **RESORTS INTL. (202)**
**Sales: $72MM***
**Units: 24***

24 **SUMMA CORP. (218)**
**Sales: $66.9MM***
**Units: 48***

25 **DEL E. WEBB HOTELS (242)**
**Sales: $58MM***
**Units: 22**

26 **HELMSLEY HOTELS (245)**
**Sales: $56.5MM***
**Units: 66**

27 **FAIRMONT HOTEL CORP. (274)**
**Sales: $50MM***
**Units: 29***

28 **TRIPLE T HOTEL MGMT. CORP. (281)**
**Sales: $47.6MM***
**Units: 34***

29 **AMFAC RESORTS INC. (285)**
**Sales: $45.7MM***
**Units: 30***

30 **ADAM'S MARK HOTELS (299)**
**Sales: $43.7MM**
**Units: 28****

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## Individual hotels are gaining more freedom to create menus catering to regional tastes.

at headquarters. In addition, executive staff travel constantly, eating and evaluating the food in various restaurants.

OMNI HOTELS CORP.

In Washington, Baltimore and other cities, what were formerly four distinct food and beverage outlets were combined into one unified, multi-purpose space that includes a bistro, cafe, private dining room and salon.

"It works better not only for operations, but for marketing—you don't have to divide up your advertising dollars," says Food and Beverage Director Walter Staib.

As for specific menu items, the Savoury Tart, a cross between pizza and quiche, has been highly popular; it's served either as an appetizer or entree.

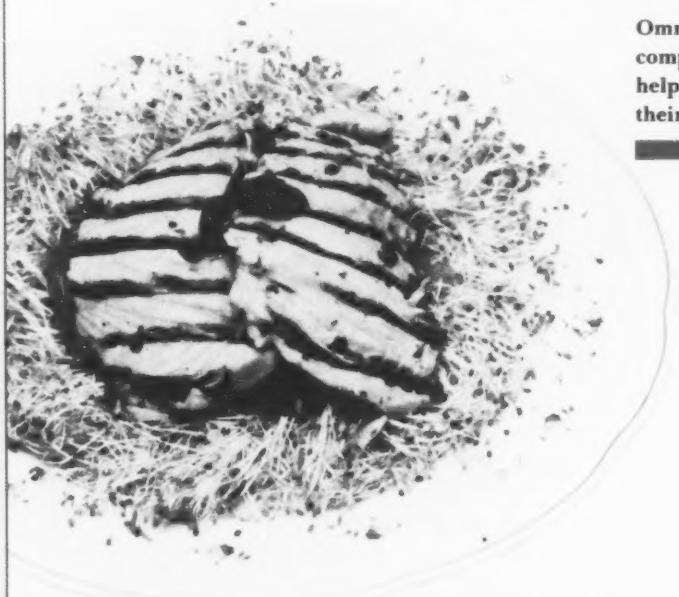
Omni also held its first companywide "Culinary Celebration"—a weekend of competitions, seminars and tastings for chefs. The event showed off the high caliber of Omni's chefs, who made a good showing when judged according to the same scoring system used for the U.S. Culinary Olympics team. But the competition's main purpose, according to Staib, was to "bring all our creative forces under one roof to find new concepts and recipes."

PRINCESS HOTELS INTL.

Guest evaluations are Princess Hotels' method of choice for deciding how to modify restaurant concepts and menus. The company learned that in the Princess Acapulco, for example, there was a market for Italian food as well as for standard Mexican offerings. Also new in Acapulco is a restaurant called Bel Jardin, an indoor-outdoor, 24-hour restaurant that serves sandwiches, pizza and a couple of Mexican specialties such as quesadillas.

A new gourmet cooking school at the Acapulco operation teaches hotel guests how to recreate regional Mexican cuisine once they return home. Booked as part of a vacation package, the cooking classes take place four times a year, taught by hotel chefs.

The South Hampton Princess in the Bermudas has revised its American plan, which formerly required guests to eat in the hotel dining room. Under the new Royal Dine-a-Round program, they can choose among 11 restaurants in the complex. *—T.L.*



**Omni's culinary competition helps chefs hone their skills.**

# 400: LIQUID ASSETS

## Wines by the Glass, Beers from Boutiques Spark Sales

### Specialty drinks and super-premium brands account for most of the alcohol sales in restaurants.

**Distilled-spirits specialty products have bolstered the mixed drink market.**

Peach schnapps, boutique beers and champagne were the hot trends in beverage alcohol last year, partially offsetting a continued decline in traditional distilled spirits sales. In a roller-coaster year for "400" companies that serve liquor, the keys to maintaining dollar volume were upgrading of products sold and creative marketing that tied alcohol sales to food. Among representative hotel and restaurant chains surveyed, wine and beer sales were up.

Total beverage-alcohol consumption was down, in line with industrywide trends reflecting changing consumer life styles (as baby boomer singles marry and raise families) and the moderation movement. For hotels, alcohol sales in catering operations were notably off. Across the board, 1986 was a year of "struggle to hold onto those numbers," in the words of Radisson Hotels' Food and Beverage Vice President Charles D. Clawson Jr.

The distilled-spirits plunge certainly is nothing new. The total category has dropped an average of 1.2% a year since 1980, accelerating to a drop of 5.1% last year. Even white goods declined last year, although brown goods continued to pace the losses, with American and Canadian whiskeys hurting most. Imported whiskey sales have leveled off. due in part to the popularity of single malt scotches.

Specialty drinks have bolstered sales of distilled spirits somewhat, but not enough to halt the downward trend. Several food and beverage directors note a small trend of renewed interest in after dinner drinks.

Another distilled spirits specialty drink that has had impact is peach schnapps, cited particularly by Radisson's Clawson as a major drink that also has cooking applications in dessert sauces, soufflés and as an ice cream flavor.

The bottom line, however, is that fewer customers are ordering distilled spirits, and those that are purchase fewer rounds. "We see a movement towards beer and wine, away from hard liquor," says Rick Giboney, marketing vice president for Restaurants Unlimited. Upgrading, then, becomes the name of the game in maintaining profitability. Says Clawson, "The only spirits that are viable to sell in our marketplace are premium and superpremium spirits." At Loews Hotels, the "policy always has been to use name brands as

# RESTAURANTS & INSTITUTIONS

New trend: A cognac revival

bar pours," according to Louis Manno, food and beverage vice president.

Among wines, the growing strength of by-the-glass sales was cited by all operators, with champagnes and sparkling wines by the glass as the new wrinkle to watch. "We see no evidence of this trend becoming any less important," says Giboney, though he adds that his chain of moderately priced restaurants is "doing less of the $4.50 to $5.50 a glass wines" and more in the "high twos."

In part, this reflects a greater consciousness of wine value among consumers, a trend noted by the hotel chains surveyed as well. All three have abandoned the once traditional triple mark-up for bottle wines in favor of more flexible pricing formulas. Walter Staib, food and beverage director for Omni Hotels, says, "We try to make wine lists that are consumer friendly. We'll price competitively," by offering particularly low wine prices in new markets.

Radisson's Clawson declares that consumers today are familiar with wine-shop prices, and base their sense of wine value on that. Wine lists must be priced in a range commensurate with the entree prices, he reminds operators. At Loews Hotels, a pricing formula based on 40% cost now is standard.

White wine sales, by the glass and bottle, continue to lead reds. More and more consumers are requesting specific varietals such as Chardonnay, Sauvignon Blanc, Merlot and Petite Sirah. Most operators also report that American wines continued to perform well in 1986. European wines never fully recaptured the market share they lost during the price spiral of the late 1970s and early 1980s.

In one noteworthy, smart and aggressive piece of marketing, Radisson has combined value consciousness with the strength of white wines and the newfound popularity of sparkling wines. Beginning last month, Radisson's 30 managed properties all began offering a high-quality Sonoma champagne for less than $15 a bottle.

**Pizzerio Uno caters to a young market with popular deep-dish pizza and beer.**

## LEADING COMPANIES IN ALCOHOL SALES

1 **TGI FRIDAY'S**
**Carlson Cos. (26)**
**Sales: $118.8MM**
**Units: 125**

2 **RADISSON HOTELS**
**Carlson Cos. (26)**
**Sales: $59.1MM**
**Units: 491**

3 **McFADDIN VENTURES (219)**
**Sales: $47.8MM**
**Units: 46**

4 **OMNI HOTELS (111)**
**Sales: $37.5MM**
**Units: 92**

5 **LOEWS HOTELS (178)**
**Sales: $23.2MM**
**Units: 74**

6 **BENIHANA OF TOKYO (193)**
**Sales: $15MM**
**Units: 46**

7 **ADAM'S MARK HOTELS (299)**
**Sales: $14.2MM**
**Units: 28****

8 **T.J. APPLEBEE'S**
**W.R. Grace Restaurant Group (15)**
**Sales: $13.9MM**
**Units: 36**

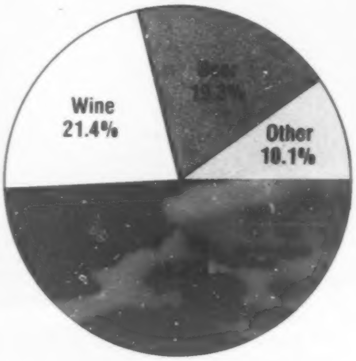
9 **UNO RESTAURANTS INC.**
**International Foodservice Co. (251)**
**Sales: $13.8MM**
**Units: 35**

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year; unit figures represent the number of units open as of 1/1/87. **R&I* estimate; **company est.; †commercial equivalent ©1987 *Restaurants & Institutions*, a Cahners publication.

# 400: LIQUID ASSETS

## Bibulous banquets fall off at hotels, as theme affairs replace open bars.

**CURRENT PRODUCT BREAKDOWN**
As these statistics show, American drinking preferences are shifting toward beer and wine.



Source U.S. Dept. of Agriculture Economic Research Service and Bureau of Labor Statistics Consumer Expenditure Survey

**Today's alcohol drinkers buy fewer drinks, but request premium brands.**

As for beer, one word says it all: boutique. The fresh and tasty products of local micro-breweries are the hottest thing in a cool brew. Every operator surveyed carries them wherever they are available. Says Giboney, "We have them in all our restaurants. The micro-brewed ales are a lot of fun." They may not be super profitable, however. While calling the boutique beers "very significant," Clawson also observes that "They cost more, but you can't sell them for that much more."

Among hotel chains, the drop in beverage-alcohol sales really has hurt catering, where the open bar as an automatic assumption at a party or banquet is now a thing of the past. Clawson sees the drop as a phenomenon not only of the moderation trend, but also of the new tax laws, which restrict corporate write-offs for business entertainment.

Staib sees a positive opportunity to re-educate catering sales people. "It used to be, 'Well, how about an open bar, one hour. So long,'" he quips. "Now you've got to suggest a wine tasting, a wine and cheese party, maybe a speaker." Clawson concurs, and reports that Radisson's catering operations will be striving "to develop a series of themed events to make a party or meeting absolutely spectacular." Radisson will roll out an à la carte banquet beverage service in the next two months, which is expected to add 2% to 3% to catering beverage volume.

With respect to beverage-alcohol marketing, four out of five operators surveyed no longer promote brown or white goods within their bars or bar areas. Wine and beer promotions within dining rooms are always food related, and usually involve seasonal, regional or ethnic themes.

Four out of five surveyed operators carry non-alcoholic beers and wines on their beverage menus, though they are slow movers.

Those surveyed for this article all gross at least 25% of total food and beverage sales from beverage alcohol, although none are alcohol-driven operations.

### RADISSON HOTELS

Radisson's Clawson noted strong regional ups and downs in Radisson's domestic operations, with alcohol sales still strong in Texas and the Southeast (minus South Carolina, with its peculiar licensing laws), but off 2% to 3% in the Midwest. Arizona and California, he observes, are softening even more with beer and wine down, too, not just distilled spirits.

Radisson has several significant new marketing ideas to combat any slippage in beverage-alcohol sales in catering operations, and to take advantage of

# 400: LIQUID ASSETS

## Champagne and sparkling wines offer real opportunities by the bottle or glass.

popular movement in restaurant operations, where Clawson finds "wine by the glass, coolers, and blush wines stronger than ever before."

Successful wine promotions have included a Best of the Blush program, participation with a West Coast winery in a program to raise funds for the Statue of Liberty restoration (more than $250,000 was donated), and a November through March (1986-1987) "Celebrate the Harvest" promotion in conjunction with a leading California winery.

### OMNI HOTELS

All Omni properties offer at least eight wines by the glass, including champagne, for $2.25 to $4.95 a toss. By-the-bottle champagne sales also are up, especially in the bistro and *brasserie* concept Omni has successfully introduced in five properties. These large, multi-area restaurants will offer up to 100 wines including domestics and "inexpensive Europeans."

Food and Beverage Director Staib also reports that "Beer is big. In the bistros, it's a natural." Up to 10 domestics and imports are offered, usually with six on tap. Boutique beers are offered where available. Wine coolers are holding strong, too.

Food and wine promotions have included monthly celebrations of Tuscany, Burgundy, the South of France (Provence) and California vintners. Also, last May, a Grand Marnier promotion, a rare excursion into distilled spirits, but one which reflects Staib's perception of renewed interest in after-dinner drinks. One very successful wine promotion of note: Chateau Lafite by the glass, at $20 per glass.

### LOEWS HOTELS

"Beer sales are holding, wine sales are on the increase, bottle wine sales are up," says Louis Manno, who estimates that beverage-alcohol sales were up "about 7%" for 1986 among the 74 food and beverage units in 11 Loews properties.

Wine sales were spurred by the successful introduction of Italian theme restaurants in two Loews properties, with a third (featuring seafood) being planned for a new West Coast property still under negotiation. Loews' New Jersey property also successfully introduced fine wines by the glass, using a dispensing machine. Six wines were offered in 7-oz. pours for $5 a glass.

In the beer category, Manno noted "a big increase in the light beers," and also that German beers do well in properties "'where we get good international guests," such as in New York.

### PIZZERIA UNO

With a menu of Chicago-style deep-dish pizza, plus appetizers, salads and sandwiches, beer is a natural. It also fits in with the 18- to 35-year-old principal customer demographics of the stores. Beer represents 40% of gross beverage sales, but a much higher percentage in terms of item count.

The typical unit offers "a very attractive and diverse selection of draft beers," according to Richard Turer, marketing manager for Uno Restaurants Inc. The usual number will be five or six, with a successful mix that includes two domestics (a premium and a light beer), and Canadian, English and German imports. Drafts are priced $1.25 to $2.50 for 12 ounces. A dozen bottled beers are offered, too, including the local boutique beer at $1.50 to $3.50. One company-owned store, in Cincinnati, carries more than 40 beers, which is the exception, not the rule.

Total beverage-alcohol sales for Pizzeria Uno were up slightly in 1986, and are expected to stay even for the operation, which is not dependent on promotions or trends (including wines and wine coolers, which Turer says are "a very small segment for us"). In addition to the strength of the boutique beers, Turer reports that "American beers are doing very well again" in general.

***—Jonathan Abarbanel***

**Boutique brews are boffo! Operators report that the by-the-bottle beer business is booming.**

# 400: RANKINGS

**(1) McDonald's**
Sales: $12,400MM Units: 9,410

**(2) PepsiCo Foodservice Div.**
Sales: $7,335.6MM Units: 14,811

**(3) The Pillsbury Co.**
**Restaurant Group**
Sales: $5,500MM Units: 5,831

**(4) Marriott Corp.**
Sales: $5,051.4MM* Units: 4,723*

**(5) U.S. Dept. of Agriculture,**
**Food & Nutrition Service**
Sales: $3,215.5MM† Units: 89,051

**(6) Wendy's Intl. Inc.**
Sales: $2,747.2MM Units: 3,727

**(7) ARA Services Inc.**
Sales: $2,632.3MM†* Units: 3,456*

**(8) TW Services**
Sales: $2,449.2MM* Units: 3,862*

**(9) Imasco USA**
Sales: $2,268.8MM* Units: 2,822

**(10) International Dairy Queen Inc.**
Sales: $1,723MM Units: 5,513

**(11) Holiday Corp.**
Sales: $1,638.3MM* Units: 2,482*

**(12) Domino's Pizza Inc.**
Sales: $1,500MM Units: 3,606

**(13) Denny's Inc.**
Sales: $1,335.8MM Units: 2,016

**(14) The Sheraton Corp.**
Sales: $1,251.8MM* Units: 1,457

**(15) W.R. Grace Restaurant Group**
Sales: $1,243.1MM* Units: 918*

**(16) Shoney's Inc.**
Sales: $1,198MM Units: 1,360

**(17) Collins Foods Intl. Inc.**
Sales: $1,057.4MM Units: 976

**(18) General Mills Restaurant Group**
Sales: $1,050MM Units: 599

**(19) Service America Corp.**
Sales: $1,001.9MM Units: 11,546

**(20) Hilton Hotels Corp.**
Sales: $930.6MM* Units: 1,155*

**(21) Arby's Inc.**
Sales: $892.8MM Units: 1,760

**(22) The Southland Corp.**
Sales: $875.9MM* Units: 7,835

**(23) U.S. Navy Food Service Systems**
Sales: $809.6MM† Units: 684

**(24) Ponderosa Inc.**
Sales: $770MM Units: 704

**(25) Jerrico Inc.**
Sales: $763.9MM Units: 1,467

**(26) Carlson Cos.**
Sales: $749.7MM Units: 0

**(27) Ramada Inns Inc.**
Sales: $737.9MM* Units: 701*

**(28) Allegis**
Sales: $732.1MM† Units: 343**

**(29) U.S. Army Clubs and Recreation**
Sales: $715.1MM† Units: 631[B]

**(30) U.S. Army Troop**
**Support Agency**
Sales: $700.8MM† Units: 1,105

**(31) Hyatt Hotels Corp.**
Sales: $681.8MM* Units: 386*

**(32) Morrison Inc.**
Sales: $652.2MM Units: 608

**(33) Dunkin' Donuts Inc.**
Sales: $648MM Units: 1,539

**(34) K mart Corp.**
Sales: $646.2MM* Units: 1,968*

**(35) Foodmaker Inc.**
Sales: $639.5MM* Units: 849

**(36) Church's Fried Chicken Inc.**
Sales: $577.7MM Units: 1,532

**(37) Baskin-Robbins Ice Cream Co.**
Sales: $572.1MM* Units: 3,311

**(38) Friendly Ice Cream Corp.**
Sales: $536.5MM Units: 829

**(39) Little Caesar Ent. Inc.**
Sales: $520MM Units: 1,308

**(40) VICORP Restaurants Inc.**
Sales: $502.8MM Units: 445

**(41) Army & Air Force**
**Exchange Service**
Sales: $496.9MM† Units: 2,732

**(42) USACafes**
Sales: $480MM Units: 571

**(43) Carson Pirie Scott & Co.**
Sales: $465.7MM* Units: 433*

**(44) Western Sizzlin' Steak House**
Sales: $454MM Units: 642**

**(45) Quality Inns Intl.**
Sales: $441.9MM* Units: 816*

**(46) Elias Brothers Restaurants Inc.**
Sales: $416MM Units: 254

**(47) A. Copeland Ent. Inc.**
Sales: $415MM Units: 656

**(48) U.S. Air Force Open**
**Mess System**
Sales: $409.8MM† Units: 502

**(49) Sky Chefs Inc.**
Sales: $398MM Units: 326*

**(50) Investors Mgmt. Corp.**
Sales: $381MM Units: 519

**(51) Inter-Continental Hotels Corp.**
Sales: $381MM* Units: 399*

**(52) Ogden Allied Services Corp.**
Sales: $370MM Units: 1,725

**(53) Greyhound Food Mgmt. Inc.**
Sales: $350MM Units: 439

**(54) Carl Karcher Ent. Inc.**
Sales: $344.9MM** Units: 433

**(55) U.S. Air Force**
Sales: $329.6MM† Units: 672

**(56) Rax Restaurants Inc.**
Sales: $328.9MM Units: 512

**(57) Chi-Chi's Inc.**
Sales: $315MM** Units: 199

**(58) Boddie-Noell Ent. Inc.**
Sales: $298MM Units: 338

**(59) Po Folks Inc.**
Sales: $295.9MM Units: 313

**(60) Carvel Corp.**
Sales: $291.5MM* Units: 870*

**(61) Sonic Ind. Inc.**
Sales: $291MM Units: 958

**(62) The Riese Organization**
Sales: $290MM Units: 260

**(63) Eastern Airlines**
Sales: $286.8MM† Units: 101

**(64) National Medical Ent. Inc.**
Sales: $280.5MM† Units: 563

**(65) Beverly Ent.**
Sales: $280MM†** Units: 1,100

**(66) Trans World Airlines Inc.**
Sales: $275MM† Units: 3

**(67) Walt Disney Co.**
Sales: $274.9MM Units: 182

**(68) Hospital Corp. of America**
Sales: $273.5MM†** Units: 389

**(69) Pizza Inn Inc.**
Sales: $269.7MM Units: 799

**(70) White Castle System Inc.**
Sales: $268.5MM Units: 222

**(71) Veterans Administration**
Sales: $264.8MM†[B] Units: 160

**(72) IHOP Corp.**
Sales: $264.1MM Units: 450

**(73) The Horn & Hardart Co.**
Sales: $256.5**MM Units: 325

**(74) Delaware North Cos. Inc.**
Sales: $250MM Units: 292

**(75) Round Table Franchise Corp.**
Sales: $250MM Units: 500

**(76) National Purchasing Corp.**
Sales: $249.5MM† Units: 236

**(77) Szabo Foodservice Co.**
Sales: $246.7MM†* Units: 371*

**(78) Nestle Ent. Inc.**
Sales: $232MM* Units: 239

**(79) Brock Hotel Corp.**
Sales: $228.6MM Units: 316

**(80) Food Concepts Inc.**
Sales: $225MM† Units: 633

**(81) Whataburger Inc.**
Sales: $225MM Units: 365

**(82) The Ground Round Inc.**
Sales: $225MM** Units: 194

**(83) Piccadilly Cafeterias Inc.**
Sales: $225MM** Units: 111

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year; unit figures represent the number of units open as of 1/1/87. **R&I* estimate. **company est.; †commercial equivalent; (A) former data included non-foodservice sales; (B) adjusted method in reporting figures; (C) franchisees' sales est.; (R) revised. ©1987 *Restaurants & Institutions*

**(84) New York City Board of Ed.**
Sales: $222.7MM† Units: 1,200

**(85) U.S. Navy Officer's and Enlisted Mess System**
Sales: $222.4MM† Units: 256

**(86) The Seiler Corp.**
Sales: $220.2MM* Units: 540*

**(87) Bob Evans Farms Inc.**
Sales: $220MM Units: 175

**(88) Waffle House Inc.**
Sales: $219.5MM* Units: 590

**(89) Bally Manufacturing Corp.**
Sales: $217.4MM* Units: 101*

**(90) Luby's Cafeterias Inc.**
Sales: $215.1MM Units: 94

**(91) U.S. Marine Corps**
Sales: $206.6MM† Units: 103

**(92) Custom Mgmt. Corp.**
Sales: $202.6MM Units: 417

**(93) Shoney's South Inc.**
Sales: $200MM Units: 241

**(94) Restaurant Associates Ind. Inc.**
Sales: $197.5MM* Units: 97*

**(95) Shakey's Inc.**
Sales: $196.9MM Units: 395

**(96) Wyatt Cafeterias Inc.**
Sales: $195MM Units: 120

**(97) Frisch's Restaurants Inc.**
Sales: $187.6MM Units: 206

**(98) Chick-fil-A Inc.**
Sales: $181.4MM Units: 345

**(99) Specialty Restaurants Corp.**
Sales: $181.1MM* Units: 68*

**(100) Chili's Inc.**
Sales: $176MM Units: 102

**(101) F.W. Woolworth Co.**
Sales: $175MM* Units: 1,070**

**(102) The Krystal Co.**
Sales: $174MM Units: 237

**(103) Western Steer-Mom'n'Pop's**
Sales: $171MM Units: 185

**(104) Trusthouse Forte Hotels Inc.**
Sales: $170MM Units: 440

**(105) Harry M. Stevens Inc.**
Sales: $168MM Units: 35

**(106) Los Angeles School District**
Sales: $165.5MM† Units: 572

**(107) DeNovo Corp.**
Sales: $161MM* Units: 592

**(108) Mister Donut of America**
Sales: $160.8MM Units: 622

**(109) California Dept. of Corrections**
Sales: $155.9MM† Units: 76

**(110) Winners Corp.**
Sales: $152.4MM Units: 229

**(111) Omni Hotels Corp.**
Sales: $150.4MM Units: 92

**(112) A&W Restaurants Inc.**
Sales: $150MM Units: 550

**(113) Brown Derby Inc.**
Sales: $148MM Units: 55

**(114) Orange Julius Intl.**
Sales: $147MM Units: 770

**(115) Wom Ent. Inc.**
Sales: $147MM† Units: 44

**(116) Baltimore Bureau of Purchases**
Sales: $145.6MM† Units: 130

**(117) Prime Motor Inns**
Sales: $145MM* Units: 271*

**(118) The Circle K Corp.**
Sales: $144.9MM* Units: 3,500

**(119) City of New York, Dept. of Procurement**
Sales: $143.1MM† Units: 40

**(120) Club Corp. of America**
Sales: $140MM Units: 206

**(121) Doctors Associates Inc.**
Sales: $140MM Units: 987

**(122) Harman Mgmt. Co.**
Sales: $140MM** Units: 223

**(123) Hospital Purchasing Services**
Sales: $135.8MM† Units: 516

**(124) Mr. Gatti's Inc.**
Sales: $131.2MM Units: 335

**(125) dåka**
Sales: $128.9MM†* Units: 311

**(126) Hyatt Intl. Corp.**
Sales: $127MM Units: 180**

**(127) Food Dimensions Inc.**
Sales: $126MM† Units: 95

**(128) State of Oklahoma Central Purchasing**
Sales: $126MM† Units: 48

**(129) Unicare Health Facilities Inc.**
Sales: $126MM† Units: 600

**(130) Navy Resale and Services Support Office**
Sales: $125.5MM† Units: 538

**(131) Red Lion Inns**
Sales: $125MM Units: 73

**(132) Galardi Group**
Sales: $123.5MM Units: 331

**(133) Walgreens Food Div.**
Sales: $121.1MM Units: 151

**(134) Carrols Corp.**
Sales: $120.1MM Units: 138

**(135) Ken's Restaurant Systems**
Sales: $120MM Units: 279

**(136) Caesar's World Inc.**
Sales: $119MM Units: 34

**(137) Braum Ice Cream & Dairy Stores Co.**
Sales: $118.8MM* Units: 180*

**(138) Fuddruckers Inc.**
Sales: $118.4MM Units: 105

**(139) Kettle Restaurants Inc.**
Sales: $114.8MM Units: 195

**(140) El Chico Corp.**
Sales: $112.6MM Units: 102

**(141) New Jersey Dept. of Human Services, Food Ind.**
Sales: $112.6MM† Units: 18

**(142) Northwest Orient Airlines Inc.**
Sales: $112MM† Units: 3

**(143) Mr. Steak Inc.**
Sales: $111.1MM Units: 175

**(144) Brown's Chicken**
Sales: $108.1MM* Units: 158

**(145) J.B.'s Restaurants Inc.**
Sales: $107.2MM Units: 121

**(146) The Wood Co.**
Sales: $106.8MM Units: 140

**(147) Ryan's Family Steak Houses**
Sales: $105MM Units: 70

**(148) Del Taco Inc.**
Sales: $105MM** Units: 186

**(149) Papa Gino's of America Inc.**
Sales: $104.1MM Units: 180

**(150) Veterans Canteen Service**
Sales: $104MM† Units: 175

**(151) Guest Services Inc.**
Sales: $100MM Units: 122

**(152) Taco John's Intl.**
Sales: $100MM Units: 403

**(153) Roma Corp.**
Sales: $100MM** Units: 75

**(154) Illinois Dept. of Central Mgmt. Services**
Sales: $99.8MM† Units: 86

**(155) Adventist Health System**
Sales: $99MM† Units: 118

**(156) Rodeway Inns Intl. Inc.**
Sales: $99MM* Units: 152

**(157) Pioneer Take Out Corp.**
Sales: $98MM Units: 290

**(158) Chicago Public Schools**
Sales: $97.1MM† Units: 591

**(159) Commonwealth of Virginia**
Sales: $97MM† Units: 83

**(160) Druther's Intl. Inc.**
Sales: $96.9MM Units: 155

**(161) National Pizza Co.**
Sales: $96MM** Units: 245

**(162) AIRCOA**
Sales: $95.2MM* Units: 102*

**(163) The Continental Cos.**
Sales: $94.5MM Units: 43*

**(164) Skipper's Inc.**
Sales: $94MM Units: 206

**(165) Astor Restaurant Group Inc.**
Sales: $94MM** Units: 265

*continued on page 228*

# 400: RANKINGS

*continued from page 227*

**(166) THF-Eastern**
Sales: $93.8MM† Units: 280

**(167) RPM Pizza Inc.**
Sales: $93.5MM Units: 197

**(168) International King's Table Inc.**
Sales: $93MM Units: 81

**(169) The Registry Hotel Corp.**
Sales: $92.6MM Units: 61

**(170) W.B. Johnson Properties Inc.**
Sales: $91.8MM* Units: 129

**(171) Metropolitan Chicago Healthcare Council**
Sales: $91MM† Units: 102

**(172) Calif. Dept. of Rehab., Business Ent. Program**
Sales: $90.9MM† Units: 275

**(173) Consolidated Products Inc.**
Sales: $90.7MM Units: 107

**(174) Lyon's Restaurants Inc.**
Sales: $90.1MM Units: 61

**(175) RTM Inc.**
Sales: $90MM Units: 143

**(176) Fosters Freeze Intl.**
Sales: $89MM Units: 210

**(177) Trans/Pacific Restaurants Inc.**
Sales: $86.2MM Units: 53

**(178) Loews Hotels**
Sales: $85.6MM Units: 74

**(179) Doubletree Inc.**
Sales: $85MM Units: 20

**(180) Servico Mgmt. Corp.**
Sales: $85MM Units: 55

**(181) Days Inns of America Inc.**
Sales: $83.2MM* Units: 359*

**(182) Professional Food-Service Mgmt. Inc.**
Sales: $82.8†MM* Units: 105

**(183) TrettCo Inc.**
Sales: $82.5MM† Units: 110

**(184) Associated Hosts Inc.**
Sales: $81.5MM Units: 54

**(185) Sbarro Licensing Corp.**
Sales: $81.3MM** Units: 190

**(186) Red Robin Intl.**
Sales: $81MM Units: 47

**(187) Swensen's Ice Cream Co.**
Sales: $80MM** Units: 350

**(188) Unigate Restaurants Inc.**
Sales: $79.8MM Units: 118

**(189) HRI-Purchase Connection**
Sales: $78.4MM† Units: 162

**(190) Humana Inc.**
Sales: $78.2MM†* Units: 87

**(191) K-Bob's Steak Houses Inc.**
Sales: $77MM Units: 96

**(192) The Mariner Corp.**
Sales: $75.4MM Units: 104

**(193) Benihana of Tokyo Inc.**
Sales: $75MM Units: 46

**(194) Elby's Restaurants Inc.**
Sales: $75MM Units: 74

**(195) MHM Inc.**
Sales: $75MM Units: 60

**(196) The Marcus Corp.**
Sales: $74.7MM Units: 116

**(197) Consul Restaurant Corp.**
Sales: $74MM** Units: 38

**(198) State of Missouri Div. of Purchasing**
Sales: $74MM†** Units: 31

**(199) Service Master Co., Food Mgmt. Div.**
Sales: $73.3MM† Units: 105

**(200) U.S. Dept. of Justice, Federal Prison System**
Sales: $72.8MM† Units: 47

**(201) Princess Hotels Intl.**
Sales: $72.8MM* Units: 34

**(202) Resorts Intl. Inc.**
Sales: $72MM* Units: 24*

**(203) TCBY Ent. Inc.**
Sales: $71MM Units: 458

**(204) The Happy Steak Inc.**
Sales: $70.9MM** Units: 102

**(205) C.A. Muer Corp.**
Sales: $70MM Units: 31

**(206) Dayton Hudson Dept. Store Co.**
Sales: $70MM Units: 299

**(207) Franchise Ent. Inc.**
Sales: $70MM Units: 95

**(208) New York State Office of Mental Health**
Sales: $70MM† Units: 32

**(209) Nutrition Mgmt. Services Co.**
Sales: $70MM** Units: 161

**(210) Convenient Food Marts**
Sales: $69.7MM** Units: 1,306

**(211) Bill Knapp's Michigan Inc.**
Sales: $69.6MM* Units: 62*

**(212) Pizza Mgmt. Inc.**
Sales: $68.2MM Units: 172

**(213) Cracker Barrel Old Country Store Inc.**
Sales: $68MM Units: 47

**(214) Interstate Hotels Corp.**
Sales: $68MM Units: 87

**(215) Sonny's Real Pit Bar-B-Q Inc.**
Sales: $68MM Units: 79

**(216) Calny Inc.**
Sales: $67.8MM Units: 158

**(217) Taco Time Intl. Inc.**
Sales: $67MM Units: 223

**(218) Summa Corp.**
Sales: $66.9MM* Units: 48*

**(219) McFaddin Ventures**
Sales: $66.7MM Units: 46

**(220) California State University Campuses**
Sales: $66.2MM†** Units: 38

**(221) North Central Food Systems Inc.**
Sales: $65MM Units: 65

**(222) American Medical Intl. Inc.**
Sales: $64.2MM* Units: 122

**(223) The Jan Cos.**
Sales: $63.3MM Units: 62

**(224) Original Great American Chocolate Chip Cookie Co.**
Sales: $63.1MM* Units: 406

**(225) May Dept. Stores**
Sales: $62.7MM* Units: 375**

**(226) Sybra Inc.**
Sales: $62MM Units: 104

**(227) U.S. Restaurants Inc.**
Sales: $62MM** Units: 51

**(228) Universal Services Inc. Intl.**
Sales: $61MM Units: 211

**(229) Buehler-Ruckriegel Inc.**
Sales: $60.3MM Units: 112

**(230) Famous Restaurants Inc.**
Sales: $60MM Units: 38

**(231) Magic Pan**
Sales: $60MM Units: 64

**(232) Pantera's Corp.**
Sales: $60MM Units: 120

**(233) Rocky Rococo**
Sales: $60MM Units: 114

**(234) Arthur Treacher's Inc.**
Sales: $60MM** Units: 215**

**(235) Lettuce Entertain You**
Sales: $60MM** Units: 32

**(236) State of Rhode Island Purchasing Div.**
Sales: $59.9MM†** Units: 294**

**(237) Rusty Pelican Restaurants Inc.**
Sales: $59.8MM Units: 19

**(238) North Carolina Dept. of Administration**
Sales: $58.8MM†** Units: 25

**(239) Sea Galley Stores Inc.**
Sales: $58.7MM Units: 49

**(240) Mrs. Fields' Cookies**
Sales: $58.7MM* Units: 285

**(241) Trefz Corp.**
Sales: $58.2MM* Units: 43*

**(242) Del E. Webb Hotels**
Sales: $58MM* Units: 22

**(243) Twenty-First Century Corp.**
Sales: $58MM* Units: 35

**(244) U.S. Coast Guard**
Sales: $56.8MM†** Units: 398

*continued on page 234*

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year; unit figures represent the number of units open as of 1/1/87. **R&I* estimate, **company est.; †commercial equivalent; (A) former data included non-foodservice sales; (B) adjusted method in reporting figures; (C) franchisees' sales est.; (R) revised. ©1987 *Restaurants & Institutions*

# 400: RANKINGS

*continued from page 228*

**(245) Helmsley Hotels**
Sales: $56.5MM* Units: 66

**(246) Eat'N Park Restaurants Inc.**
Sales: $56MM Units: 45

**(247) Dept. of Public Welfare-Commonwealth of Pa.**
Sales: $56MM†** Units: 36

**(248) Prufrock Restaurants Inc.**
Sales: $56MM** Units: 48

**(249) Lifestyle Restaurants Inc.**
Sales: $55.9MM Units: 51

**(250) Forbco Mgmt. Corp.**
Sales: $55MM Units: 31

**(251) International Foodservice Co.**
Sales: $55MM Units: 35

**(252) AMTRAK**
Sales: $55MM** Units: 344

**(253) Bobby McGee's USA Inc.**
Sales: $55MM** Units: 22

**(254) Campbell Soup Co., Foodservice Div.**
Sales: $54.3MM* Units: 84

**(255) New York City Health and Hospitals Corp.**
Sales: $53.8MM† Units: 16

**(256) Indiana Dept. of Admin.; Procurement Div.**
Sales: $53.2MM†** Units: 37

**(257) Houston Independent School District**
Sales: $53MM†** Units: 226

**(258) Dade County Schools**
Sales: $52MM† Units: 281

**(259) Wendy's Food Systems Inc.**
Sales: $52MM Units: 80

**(260) Jack's Food Systems Inc.**
Sales: $52MM** Units: 97

**(261) McCrory Stores**
Sales: $52MM** Units: 325

**(262) Peter Piper Inc.**
Sales: $51.7MM Units: 103

**(263) Atlanta Family Restaurants**
Sales: $51MM Units: 39

**(264) Seafood Broiler Restaurants**
Sales: $51MM Units: 24

**(265) Victoria Station Inc.**
Sales: $51MM* Units: 24

**(266) Pizza Hut of Titusville Inc.**
Sales: $50.6MM Units: 92

**(267) Health Care Services of New England**
Sales: $50.4MM† Units: 409

**(268) University of Wisconsin System**
Sales: $50.4MM† Units: 141

**(269) State of Connecticut, Purchasing Dept.**
Sales: $50.4MM†** Units: 200**

**(270) State of Wisconsin**
Sales: $50.4MM†** Units: 39

**(271) Carter Hawley Hale Stores Inc.**
Sales: $50MM Units: 110

**(272) Concept Development Inc.**
Sales: $50MM** Units: 123

**(273) Theo H. Davies & Co. Ltd.**
Sales: $50MM** Units: 40

**(274) Fairmont Hotel Co.**
Sales: $50MM* Units: 29*

**(275) Palm Mgmt. Co.**
Sales: $49.5MM** Units: 11

**(276) Harcourt Brace Jovanovich Co.**
Sales: $48.7MM Units: 58

**(277) Triton Investment Co. Inc.**
Sales: $48.6MM* Units: 36*

**(278) Sanese Services Inc.**
Sales: $48.1MM* Units: 610*

**(279) New Jersey Dept. of Corrections**
Sales: $47.6MM†** Units: 17

**(280) Sands & Co. Inc.**
Sales: $47.6MM* Units: 525*

**(281) Triple T Hotel Mgmt. Corp.**
Sales: $47.6MM* Units: 34*

**(282) Restaurant Mgmt. Co.**
Sales: $47.4MM* Units: 88

**(283) Valley Food Service Corp.**
Sales: $47.2MM† Units: 97

**(284) Ohio Dept. of Rehabilitation & Correction**
Sales: $46MM† Units: 20

**(285) Amfac Resorts Inc.**
Sales: $45.7MM* Units: 30*

**(286) K&W Cafeterias Inc.**
Sales: $45.3MM Units: 19

**(287) U.S. Army Medical Dept.**
Sales: $45.1MM† Units: 51

**(288) International Onion**
Sales: $45MM Units: 14

**(289) Lincoln Hotels**
Sales: $45MM Units: 34

**(290) Maid-Rite Products Inc.**
Sales: $45MM Units: 127

**(291) Noble Roman's Inc.**
Sales: $45MM Units: 110

**(292) Schlotzsky's Inc.**
Sales: $45MM Units: 200

**(293) Carousel Snack Bars Inc. of Minnesota**
Sales: $45MM** Units: 315

**(294) Pizza King Franchises Inc.**
Sales: $45MM* Units: 91

**(295) California Dept. of Developmental Services**
Sales: $44.8MM† Units: 11

**(296) Florida Dept. of General Services**
Sales: $44.8MM† Units: 50

**(297) Ohio State Dept. of Mental Health**
Sales: $44.8MM† Units: 50

**(298) Consolidated Coin Caterers**
Sales: $44MM** Units: 1,000*

**(299) Adam's Mark Hotels**
Sales: $43.7MM Units: 28**

**(300) Standard Oil**
Sales: $43.4MM* Units: 35

**(301) Pancho's Mexican Buffet Inc.**
Sales: $43.1MM Units: 42

**(302) Smith and Sons Foods Inc.**
Sales: $43MM Units: 55

**(303) FMS Mgmt. Systems Inc.**
Sales: $43MM** Units: 86

**(304) Southern Hospitality Corp.**
Sales: $43MM** Units: 62

**(305) MTC Mgmt. Inc.**
Sales: $42.6MM Units: 101

**(306) Trader Vic's**
Sales: $42.6MM* Units: 21*

**(307) The Evangelical Lutheran Good Samaritan Society**
Sales: $42.5MM† Units: 200

**(308) Consumer Food Services Inc.**
Sales: $42MM** Units: 25

**(309) MCL Cafeterias**
Sales: $42MM** Units: 27

**(310) Houston's Restaurants**
Sales: $42MM* Units: 15

**(311) Americana Hotels Corp.**
Sales: $41.8MM* Units: 24*

**(312) State of Hawaii School Foodservice**
Sales: $41.6MM† Units: 227

**(313) Restaurants Unlimited Inc.**
Sales: $41MM Units: 18

**(314) Hamburger Hamlets Inc.**
Sales: $41MM** Units: 24

**(315) Dallas Independent School District**
Sales: $40.6MM† Units: 183

**(316) Phillips Seafood Restaurants**
Sales: $40.6MM Units: 6

**(317) State of Washington Government Institutions**
Sales: $40.6MM† Units: 36

**(318) New York State Office of Mental Retardation**
Sales: $40.3MM† Units: 20

**(319) Dino's USA Inc.**
Sales: $40MM Units: 200

**(320) Michigan State University**
Sales: $40MM† Units: 43

*continued on page 236*

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year, unit figures represent the number of units open as of 1/1/87. *R&I estimate; **company est.; †commercial equivalent. (A) former data included non-foodservice sales. (B) adjusted method in reporting figures. (C) franchisees' sales est.; (R) revised. ©1987 *Restaurants & Institutions*

# 400: RANKINGS

*continued from page 234*

**(321) Sirloin Stockade Intl.**
Sales: $40MM Units: 60

**(322) Vall Ent.**
Sales: $40MM Units: 17

**(323) Rowntree MacKintosh**
Sales: $40MM** Units: 301

**(324) Southern Cafeteria Co. Inc.**
Sales: $40MM** Units: 76

**(325) Pennsylvania Dept. of Corrections**
Sales: $39.7MM† Units: 14

**(326) State of Louisiana, Office of Purchasing**
Sales: $39.2MM† Units: 39

**(327) U.S. Marine Corps Military Clubs Branch**
Sales: $39MM† Units: 163

**(328) Bobby Rubino's**
Sales: $39MM** Units: 25

**(329) Huddle House Inc.**
Sales: $38MM Units: 129

**(330) Jerry's Systems Inc.**
Sales: $38MM Units: 61

**(331) Legal Sea Foods Inc.**
Sales: $38MM Units: 5

**(332) The Levy Organization**
Sales: $38MM Units: 27

**(333) Restaurant Mgmt. Service Inc.**
Sales: $38MM Units: 36

**(334) Wrather Corp.**
Sales: $38MM Units: 53

**(335) Elmer's Pancake & Steak House**
Sales: $38MM** Units: 31

**(336) Winegardner & Hammons Inc.**
Sales: $37.8MM Units: 37

**(337) School District of Philadelphia**
Sales: $37.5MM† Units: 254

**(338) Frontier Ent.**
Sales: $37MM Units: 28

**(339) David's Cookies**
Sales: $36.5MM* Units: 200**

**(340) Country Kitchens of Wisconsin**
Sales: $36MM Units: 60

**(341) Dietary Consultants Inc.**
Sales: $36MM† Units: 65

**(342) Texas Dept. of Mental Health & Mental Retardation**
Sales: $35.9MM† Units: 27

**(343) Brunswick Corp.**
Sales: $35.8MM Units: 147

**(344) Bresler's 33 Flavors**
Sales: $35.8MM** Units: 325

**(345) OSF Intl.**
Sales: $35.6MM Units: 24

**(346) Brigham's Inc.**
Sales: $35MM Units: 82

**(347) Cox Hotel Corp.**
Sales: $35MM Units: 22

**(348) Seafood Shanty Restaurants**
Sales: $35MM Units: 14

**(349) Taco Tico Inc.**
Sales: $35MM Units: 108

**(350) The Boyd Group**
Sales: $34.9MM* Units: 14

**(351) Sonesta Intl. Hotels Corp.**
Sales: $34.4MM* Units: 150

**(352) LaRosa's Inc.**
Sales: $34MM Units: 47

**(353) Shari's Mgmt. Corp.**
Sales: $34MM** Units: 36

**(354) Arctic Circle Inc.**
Sales: $33.7MM Units: 112

**(355) AmeriNet/Intermountain Health Care**
Sales: $33.6MM† Units: 150

**(356) State of Kansas Div. of Purchasing**
Sales: $33.6MM† Units: 25

**(357) Spire's Restaurants**
Sales: $33.2MM Units: 27

**(358) U.S. Beef Corp.**
Sales: $33MM Units: 71

**(359) Heidman Inc.**
Sales: $32.9MM* Units: 24

**(360) Happy Chef Restaurants**
Sales: $32.5MM Units: 51

**(361) Atlas Hotels Inc.**
Sales: $32MM Units: 22

**(362) Coulter Ent.**
Sales: $32MM Units: 67

**(363) 4B's Restaurants Inc.**
Sales: $32MM Units: 27

**(364) Clock Restaurants Inc.**
Sales: $32MM* Units: 40

**(365) Olga's Kitchen Inc.**
Sales: $32MM Units: 38

**(366) AIFAM Ent. Inc.**
Sales: $31.7MM** Units: 78

**(367) Casa Olé Restaurants**
Sales: $31.5MM Units: 33

**(368) The C&C Organization**
Sales: $31.3MM Units: 26

**(369) United Inns Inc.**
Sales: $31.3MM Units: 40

**(370) Rosewood Hotel Group**
Sales: $31MM Units: 6

**(371) Spencecliff Corp.**
Sales: $31MM Units: 26

**(372) Munford Inc.**
Sales: $31*MM Units: 801

**(373) Corporate Food Services Inc.**
Sales: $30.8MM† Units: 58

**(374) Texas Dept of Corrections, Food Service Dept.**
Sales: $30.8MM† Units: 27

**(375) Maryland Dept. of General Services**
Sales: $30.8MM†** Units: 33

**(376) U.S. Naval Medical Command**
Sales: $30.6MM† Units: 27

**(377) U.S. Air Force Medical Service**
Sales: $30.5MM† Units: 82

**(378) Sandwich Chef Inc.**
Sales: $30MM Units: 184

**(379) State of Tennessee General Services**
Sales: $30MM† Units: 42

**(380) Valentino's**
Sales: $30MM Units: 39

**(381) Vie de France Restaurant Corp.**
Sales: $30MM Units: 55

**(382) Big 4 Restaurants Inc.**
Sales: $30MM** Units: 14

**(383) Hospitality Intl. Inc.**
Sales: $30MM** Units: 218

**(384) JRN Chicken Stores**
Sales: $30MM** Units: 70

**(385) The Management Group Inc.**
Sales: $30MM** Units: 15

**(386) G.D. Ritzy's**
Sales: $29.9MM Units: 58

**(387) Busch Entertainment Corp.**
Sales: $29.3MM* Units: 48*

**(388) Allen & O'Hara Inc.**
Sales: $29.2MM Units: 24

**(389) Monterey House Inc.**
Sales: $29MM Units: 61

**(390) Perk Development Corp.**
Sales: $28.4MM Units: 28

**(391) Fairfax County Public Schools**
Sales: $28.2MM† Units: 204

**(392) Hillsborough County School Board**
Sales: $28.1MM† Units: 138

**(393) Numero Uno Franchising**
Sales: $28MM Units: 62

**(394) Pappas Restaurant Inc.**
Sales: $28MM Units: 13

**(395) State of Tennessee, Dept. of Corrections**
Sales: $28MM† Units: 32

**(396) Tem-Kil Co. Inc.**
Sales: $28MM** Units: 55

**(397) CVI Service Group Inc.**
Sales: $27MM Units: 78

**(398) The Pasta House Co.**
Sales: $27MM Units: 23

**(399) Grand American Fare**
Sales: $26MM Units: 32

**(400) Pepe's Inc.**
Sales: $26MM Units: 62

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1986 calendar or fiscal year, unit figures represent the number of units open as of 1/1/87. **R&I* estimate. **company est., †commercial equivalent; (A) former data included non-foodservice sales; (B) adjusted method in reporting figures; (C) franchisees' sales est.; (R) revised.

# 400:INDEX

A&W Restaurants Inc. . . . . 47
Acapulco Restaurants . . . . 76
Adam's Mark Hotels . . . . 218, 221
AIRCOA . . . . 216
Air Force Engineering & Services Center . . . . 195
American Medical Intl. Inc. . . . . 201
Amfac Resorts Inc. . . . . 218
AMTRAK . . . . 181
T. J. Applebee's . . . . 221
ARA Services Inc. . . . . 26, 208, 209
Arby's Inc. . . . . 46, 47
Army & Air Force Exchange Service . . . . 26, 194, 195
Arthur Treacher's Inc. . . . . 89, 90
Astor Restaurant Group Inc. . . . . 47
Bakers Square . . . . 154, 155
Baskin-Robbins . . . . 80, 194
Beefsteak Charlie's . . . . 120
Benihana of Tokyo Inc. (Benihana Nat'l.) . . . . 131, 221
Bennigan's . . . . 26, 130, 131
Beverly Enterprises . . . . 201
Big 4 Restaurants Inc. . . . . 130, 132
Big Boy Restaurants . . . . 155, 162
Big Splash . . . . 24, 90, 100
Bill Knapp's Michigan Inc. . . . . 156
Bob Evans Farms Inc. . . 155, 156, 162
Bobby McGee's USA Inc. . . . . 132
Bobby Rubino's Place for Ribs USA Inc. . . . . 25, 118, 120
Bojangles' Chicken & Biscuits . . . . 55
Bonanza Family Restaurants . . . . 116, 117
Braum Ice Cream & Dairy Stores Co. . . . . 82
Bresler's 33 Flavors . . . . 78, 82
Brock Hotel Corp. . . . . 215
Brown's Chicken . . . . 54, 56
Burger King Corp. . . . . 24, 32, 33, 35, 188, 194
Caesar's World Inc. . . . . 216
California State University Campuses . . . . 187, 188
Calny Inc. . . . . 75
Canteen Corp. . . . . 26, 208, 209
Captain D's . . . . 89
Carl's Jr. . . . . 33
Carousel Snack Bars Inc. of Minnesota . . . . 48
Carrols Corp. . . . . 47
Carson Pirie Scott & Co. . . . 174, 175
Carter Hawley Hale Stores Inc. . . 175
Carvel Corp. . . . . 80
Casa Lupita . . . . 76
Cask N' Cleaver . . . . 120
Charlie Brown's . . . . 132
Chi-Chi's . . . . 74, 75
Chicago Public Schools . . . . 187, 188
Chick-fil-A Inc. . . . . 55, 56, 62
Chili's Inc. . . . . 131
Church's Fried Chicken Inc. . . . . 24, 54, 55, 62
The Circle K Corp. . . . . 174, 175
Club Corp. of America . . . . 210
The Continental Cos. . . . . 216
Convenient Food Marts . . . . 175
Coulter Enterprises . . . . 110
Country Kitchen Intl. Inc. . . . . 154, 155, 162
Cracker Barrel Old Country Store Inc. . . . . 131
Custom Mgmt. Corp. . . . . 209, 210
Dade County Schools . . . . 187
dāka . . . . 210
Dallas Independent School District . . . . 187
Danver's . . . . 48
David's Cookies . . . . 78, 82
Days Inns of America Inc. . . . . 218
Dayton Hudson Dept. Store Co. . . . . 174, 175
Del E. Webb Hotels . . . . 218
Del Taco . . . . 74, 75
Delaware North Cos. Inc. . . . . 209
Denny's Inc. . . . . 154, 155, 162
Dietary Consultants Inc. . . . . 201, 202
Dino's USA Inc. . . . . 110
Domino's Pizza Inc. . . . . 25, 107, 188
Druther's Intl. . . . . 34
Dunkin' Donuts Inc. . . . . 80
Eastern Airlines . . . . 181
Eat'N Park Restaurants Inc. . . . . 154, 156, 162
El Chico . . . . 74, 75
El Pollo Loco . . . . 24, 56, 62
El Torito . . . . 74, 75
Elby's Restaurants Inc. . . . . 156, 162
Elmer's Pancake & Steak House Inc. . . . . 156, 162
The Evangelical Lutheran Good Samaritan Society . . . . 201
Fairmont Hotel Co. . . . . 218
Famous Fish . . . . 90
Fifth Quarter Steak Houses . . . . 120
Food Concepts Inc. . . . . 209
Food Dimensions Inc. . . . . 210
Fosters Freeze Intl. . . . . 78, 80
Friendly Ice Cream Corp. . . . . 80
Frontier Enterprises . . . . 156
Fuddrucker's . . . . 24, 32, 34, 35
G.D. Ritzy's . . . . 156, 162
Garcia's of Scottsdale Inc. . . . . 76
Golden Corral Corp. . . . . 116, 117
Grandy's Inc. . . . . 55
Greyhound Food Mgmt. Inc. . . . . 208, 209
Ground Round . . . . 33
Guest Services Inc. . . . . 210
Hamburger Hamlets Inc. . . . . 34
The Happy Steak Inc. . . . . 118
Happy Chef Restaurants . . . . 154, 156, 162
Hardee's . . . . 32, 33, 34, 35
Harry M. Stevens Inc. . . . . 181, 210
State of Hawaii School Foodservice . . . . 187
Healthcare Services of New England . . . . 201
Helmsley Hotels . . . . 218
Hilton Hotels Corp. . . . . 215
Holiday Corp. . . . . 215
Hospital Corp. of America . . . . 26, 201, 202
Houlihan's Restaurants . . . . 131
Houston Independent School District . . . . 187
Houston's Restaurants . . . . 132
Humana Inc. . . . . 201, 202
Hyatt Hotels Corp. . . . . 215
Hyatt Intl. Corp. . . . . 216
IHOP Corp. . . . . 155, 156
Inter-Continental Hotels Corp. . . 215
International Dairy Queen Inc. . . . . 25, 78, 80
International King's Table Inc. . . 169
J.B.'s Restaurants Inc. . . . . 156, 162
Jack's Food Systems Inc. . . . . 34
K mart Corp. . . . . 175
K&W Cafeterias Inc. . . . . 169
Karmelkorn Shoppes . . . . 78, 80, 82
K-Bob's Steak Houses Inc. . . . . 118
Kentucky Fried Chicken . . . . 24, 54, 55, 62, 188
Kettle Restaurants Inc. . . . . 156, 162
The Krystal Co. . . . . 34
L&N Seafood Grill . . . . 89, 90
La Petite Boulangerie . . . . 78
Lee's Famous Recipe Chicken . . . . 56, 62
Legal Sea Foods Inc. . . . . 24, 90, 100
Lettuce Entertain You . . . . 130, 131, 132
The Levy Organization . . . . 130, 132, 136
Little Caesar Enterprises Inc. . . . . 25, 106, 107
Loews Hotels . . . . 216, 220, 221, 224
Long John Silver's . . . . 24, 88, 89
Lord Charley's . . . . 120

*continued on page 240*

# 400: INDEX

Los Angeles Unified School District . . . . . . . . . . .186, 187
Luby's Cafeterias Inc. . . . . .168, 169
Magic Pan . . . . . . . . . . . . . . . . . .131
Maid-Rite Products Inc. . . . . . . . . .48
Marie Callander Pie Shops . .155, 162
Marriott Contract Food Services Div. . . . . . . . . . . . .209
Marriott Corp. . . . .26, 180, 181, 214
May Dept. Stores . . . . . . . . . . . . .175
Mazzio Pizza . . . . . . . . . . . . . . . .107
McCrory Stores . . . . . . . . . . . . . .175
McDonald's . .24, 25, 32, 33, 35, 188
MCL Cafeterias . . . . . . . . . . . . . .169
McFaddin Ventures . . . . . . . . . . .221
Michigan State University . . . . . .187
Mister Donut of America . . . . . . . .80
Monterey Bay Canners . . . . . . .90, 95
Morrison Inc. (Morrison's Cafeterias) . . . . .168, 169
Mr. Gatti's Inc. . . . . . . . . . . . . . .107
Mr. Steak Inc. . . . . . . . .25, 118, 120
Mrs. Fields' Cookies . . . . . . . . .78, 82
Mrs. Winners . . . . . . . .24, 54, 56, 62
National Medical Ent. Inc. . .200, 201
National Pizza Co. . . . . . . . . . . . .108
Naugles . . . . . . . . . . . . . . . . . . . .75
Navy Resale and Services Support Office . . . . . . . . . . . . . .195
Nestle Ent. Inc. . . . . . . . . . . . . . .215
New York City Board of Education . . . . . . .186, 187
Noble Roman's Inc. . . . . . . . . . . .110
Northwest Orient Airlines Inc. . .181
Ogden Allied Services Corp. . . . . . . .180, 181, 209
Oh! Brian's Rip Roarin' Ribs . . . . . . . . . . . .116, 117
The Old Spaghetti Factory . . . . .110
Olive Garden . . . . . . . .130, 132, 136
Omni Hotels Corp. . . . . . . . . . .216, 218, 221, 224
The Original Great American Chocolate Chip Cookie Co. . . .78, 82
Original Hamburger Stand . . . . . .34
Palm Mgmt. Co. . . . . . . . . . . . . .132
Pancho's Mexican Buffet Inc. . . . .76
Pantera's Corp. . . . . . . . . . . . . .108
Papa Gino's of America Inc. . . . .107
Perkins Restaurants . . . . . . .155, 162
Peter Piper Inc. . . . . . . . . . . . . .108
Phillips Seafood Restaurants . . .89, 95
Piccadilly Cafeterias Inc. . . . . . . .169
Pioneer Take Out Corp. . . . . .56, 62
Pizza Hut Inc. . . . . . . .25, 106, 107
Pizza Hut of Titusville Inc. . . . . .110
Pizza Inn Inc. . . . . . . . . . . . . . . .107
Pizza King Franchises Inc. . . . . . .110
Pizza Mgmt. Inc. . . . . . . . . . . . . .108
Pizzeria Uno . . . . . . . . . . . .108, 224
Ponderosa Inc. . . . . . . . . . . .116, 117
Popeyes Chicken & Biscuits . . . . . . . . . . . . . . .54, 55, 62
Prime Motor Inns . . . . . . . . . . . .216
Princess Hotels Intl. . . . . . . . . . .218
Professional Food-Service Mgmt. Inc. . . . . . . . . . . . . . . . .210
Prufrock Restaurants Inc. . . .131, 132
Quality Inns Intl. . . . . . . . . . . . .215
Quincy's Family Steakhouse . . . . .117
Radisson . . . . . . .215, 220, 221, 222
Ramada Inns Inc. . . . . . . . . . . . .215
Rax Restaurants Inc. . . . . . . . .46, 47
Red Lobster . . . . . . . . . . . . . .88, 89
Red Robin Intl. . . . . . . . .32, 34, 35
The Registry Hotel Corp. . . . . . .216
Restaurants Unlimited . . . . . . . . .220
Resorts Intl. Inc. . . . . . . . . . . . .218
Rocky Rococo . . . . . . . . . . . . . . .108
Rodeway Inns Intl. Inc. . . . . . . . .216
Round Table Franchise Corp. . . . .107
Roy Rogers Restaurants . . . . . .46, 47
RPM Pizza Inc. . . . . . . . . . . . . . .108
Rusty Pelican Restaurants Inc. . . . . . . . . . . . .89, 95
Ryan's Family Steak Houses Inc. . . . . . . .118, 120
S&S Cafeterias . . . . . . . . . . . . . .169
Sandwich Chef Inc. . . . . . . . . . . . .48
Sbarro Licensing Corp. . . . . . . . .108
Schlotzsky's Inc. . . . . . . . . . . .46, 48
Sea Galley Stores . . . . . . . . . . .89, 90
Sea World . . . . . . . . . . . . . . . . . .181
Seafood Broiler Restaurants . . . . . .89
Seafood Shanty Restaurants . . . . . .90
The Seiler Corp. . . . . . . . . .209, 210
Service America Corp. . . . . . . . . .209
Shakey's Inc. . . . . . . . . .25, 107, 108
Shoney's Inc. . . . . . . . . . . . .155, 162
Showbiz Pizza Time Inc. . . . . . . .108
Sirloin Stockade Intl. . . . . . . . . . .120
Sisters Chicken & Biscuits . . . . . . .56
Sizzler Restaurants Intl. . . . .117, 118
Skipper's Inc. . . . . . . . . . .24, 89, 95
Sonic Industries Inc. . . . . . . . . . . .33
Sonny's Real Pit Bar-B-Q Inc. . . .118
The Southland Corp. . . . . . .174, 175
Steak & Ale . . . . . . . . . . . . . . . . .117
Steak n Shake . . . . . . . . . . . . .47, 48
Stuart Anderson's Cattle Co. . . . .117
Subway Sandwiches . . . . . . . . .47, 48
Summa Corp. . . . . . . . . . . . . . . .218
Swensen's Ice Cream Co. . . . . .78, 82
Szabo Foodservice Co. . . . . . . . . .209
Taco Bell Inc. . . . . . .24, 74, 75, 188
Taco Bueno . . . . . . . . . . . . . . . . . .76
Taco John's Intl. . . . . . . . .24, 75, 78
Taco Tico Inc. . . . . . . . . . . . . . . .76
Taco Time Intl. Inc. . . . . . . . . .75, 76
Taco Villa . . . . . . . . . . . . . . . .74, 75
Tastee Freeze Intl. Inc. . . .25, 78, 80
TGI Friday's Inc. . . . . . . . . .131, 221
THF-Eastern . . . . . . . . . . . . . . . .210
Togo's Eatery . . . . . . . . . . . . . . . .48
Tony Roma's . . . . . . . . . . . . . . . .118
Triple T Hotel Mgmt. Corp. . . . .218
Trusthouse Forte Hotels Inc. . . . .216
TW Services . . . . . . . . . . . . . . . .181
U.S. Air Force . . . . . . . . . . . . . . .195
U.S. Air Force Open Mess System . . . . . . . . . . . .195
U.S. Army Clubs and Recreation . . . . . . . . . . . . . . . . .195
U.S. Army Troop Support Agency . . . . . . . . . . .194, 195
U.S. Coast Guard . . . . . . . . . . . . .195
U.S. Navy Officer's and Enlisted Mess System . . . . . . . . . .195
U.S. Navy Foodservice Systems Office . . . . . . . . . . . . . . .195
Unicare Health Facilities Inc. . . . .201
United Airlines . . . . . . . . . . . . . .181
Uno Restaurants . . . . . . . . . . . . .221
Valentino's . . . . . . . . . . . . . . . . .110
Velvet Turtle . . . . . . . . . . . . . . . .132
Veterans Canteen Service . . . . . . .195
Village Inn Family Restaurants . . .155
W.B. Johnson Properties Inc. . . . .216
Wendy's Intl. Inc. . . . . .24, 32, 33, 35
Western Sizzlin' Steak House Inc. . . . . . . . . . . . . . .117
Western Steer-Mom'n'Pop's Inc. . . . . . . . . . . . .118
Whataburger . . . . . . . . . . . . . . . . .33
White Castle System Inc. . . . . .33, 35
Wienerschnitzel . . . . . . . . . . . . . . .47
University of Wisconsin System . . . . . . . . . . . . . . . . .186, 187
Wom Ent. Inc. . . . . . . . . . . . . . . .210
The Wood Co. . . . . . . . . . . . .208, 210
F.W. Woolworth Co. . . . . . . . . . . .175
Wyatt Cafeterias Inc. . . . . . . . . . .169
York Steakhouses . . . . . . . . . . . . .118

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## ADVERTISING INDEX

For more information on the products advertised and featured in this issue, circle the number indicated on the Reader Service Card.

| Advertiser | Inquiry No. |
|---|---|
| ALCO Foodservice Equipment Co., Cleveland Range Co. (p.182-183,184-185) | 53,54 |
| ALCO Foodservice Equipment Co., Dean Industries (p.293) | 96 |
| ALIO Foodservice Equipment Co., Savory Equipment (p.267) | 80 |
| AM Mfg. (p.299) | 106 |
| Above View, Inc. (p.298) | 101 |
| Adamation, Inc. (p.216-A) | 136 |
| Adams Packing Association (p.274) | 84 |
| Alto-Shamm, Inc. (p.63-70,71-72) | 129-135 |
| American Business Computers (p.301) | 114 |
| American Dairy Association (p.137-152) | 200-204 |
| American Gas/Commercial Foodservice (p.166-167) | 46 |
| American Gas/Hobart (p.87) | 23 |
| American Gas/Midco Int'l., Ember-Glo® Division (p.173) | 49 |
| American Gas/Middleby Marshall (p.115) | 34 |
| American Gas/Vulcan Hart (p.271) | 82 |
| American Wyott, Inc. (p.291) | 95 |
| Anheuser-Busch, Inc. (p.224-A-224-R) | 800-813 |
| Atlantic Can Co. (p.300) | 108 |
| Atlantic Queen (p.283) | 91 |
| Basic American Foods (p.164-165) | 45 |
| Bee Gee Shrimp (p.275) | 86 |
| Beef Industry Council (p.77,79,81,83) | 21 |
| Best Foods, CPC Foodservice, Inc. (p.135) | 77 |
| Bil-Mar Foods, Inc. (p.229) | 68 |
| Borden Foodservice, Inc. (p.10) | 4 |
| Bridgford Foods (p.163) | 44 |
| Buffalo China, Inc. (p.285) | 92 |
| Bunge Edible Oil Corp. (p.119,121) | 35,36 |
| CCI (p.298) | 102 |
| CPC Foodservice, Best Foods (p.133) | 77 |
| CPC Foodservice, Hellman's (p.133) | 78 |
| Calavo Growers of California (p.91-94) | 24 |
| California Avocado Commission (p.192-193) | 57 |
| Cambro (p.50-51,52-53) | 17,18 |
| Carnation Co., Foodservice (p.230-231) | 69 |
| Casa Di Bertacchi (p.86) | 137 |
| Case-Swayne Co., Inc. (p.302) | 116 |
| Classified Advertising (p.304-315) | |
| Cleveland Range Co. | |
| ALCO Foodservice Equipment Co. (p.182-183,184-185) | 53,54 |
| Coco Lopez, USA (p.219) | 66 |
| Continental Coffee Products (IBC) | 126 |
| CRES-COR® /CROWN X, Crescent Metal Products, Inc. (p.11) | 5,6,7 |
| Crystals International, Inc. (p.280) | 89 |
| Daydots (p.302) | 119 |
| Dean Industries, Div. of ALCO Foodservice Equipment Co. (p.293) | 96 |
| Dorman-Roth Foods, Inc. (p.101) | 27 |
| The Drackett Products Co. (p.189) | 55 |
| Du Pont Canada, Inc., Packaging (p.279) | 88 |
| Dutch Quality House (p.273) | 83 |
| Ember-Glo®, A Div. of Midco Int'l. (p.173) | 49 |
| Equal Low Calorie Sweetner (p.178-179) | 52 |
| Fairfield Foods (p.31) | 14 |
| Fisher Cheese Co. (p.49) | 16 |
| Fishery Products, Inc. (p.84-85) | 22 |
| Florida Dept. of Citrus (p.261) | 79 |
| Fort Howard Paper (p.28-29) | 12 |
| Fortune Products (p.303) | 121 |
| Fred's Frozen Foods (p.109,111,112-113) | 30,31,32 |

*continued on page 317*

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